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A SPECIAL REPORT ARTS & ANTIQUES Page 9-11

TODAY: Investing Down Under

Philippe Wojazer/Reuters

Jonathan Ltz/Agence France-Presse

Traders placing orders with hand signals Friday on the stock futures and options exchange in Paris, while on a Hong Kong street, people watched the market on a bank monitor. Despite a rebound in Hong Kong stocks, brokerages slashed their economic growth outlooks.

Clinton Makes Plea For Policy on China

Summit With Jiang Will Focus On Coaxing Beijing to Change

By John F. Harris and Thomas W. Lippman
Washington Post Service

WASHINGTON — Declaring that China "stands at a crossroads," President Bill Clinton on Friday appealed to the American public to support his policy of engagement with Beijing, which he predicted would coax China's leadership toward an "open and nonaggressive" stance to the rest of world.

In a speech designed to set the tone for next week's visit of President Jiang Zemin to Washington, Mr. Clinton asserted that his approach of cooperating with Beijing on mutual goals, rather than confronting it over remaining differences, is more likely to encourage the changes the United States desires in the world's most populous nation.

"At the dawn of a new century, China stands at a crossroads," Mr. Clinton told an audience at the Voice of America auditorium in Washington. "The direction China takes, toward cooperation or conflict, will profoundly affect Asia, America, and the world for decades.

"The emergence of China as a power that is stable, open and nonaggressive, that embraces free markets, political pluralism and the rule of law, that works with us to build a secure international order, rather than a China turned inward and confrontational, is deeply in America's interest," Mr. Clinton said.

Mr. Clinton acknowledged in his speech that sharp differences with China remain, and pledged that he would raise U.S. objections to China's repression of dissidents and other human-rights issues with Mr. Jiang in their talks on Wednesday. But he urged U.S. citizens and the Congress to judge the U.S. relationship with China on broad terms, not on any single point of conflict.

The president outlined the summit agenda, which includes talks on the status of Taiwan, possible nuclear accords with Beijing, lowering trade barriers, improving the global environment and cooperating on drug trafficking.

Though he took pains to explain China's desire to retain civil order, Mr. Clinton warned Beijing that it will be difficult to maintain a closed political system in an increasingly open society.

"As China has opened economically, political reform has lagged behind," Mr. Clinton said. "They have stifled political dissent to a degree and in ways that we feel are fundamentally wrong.

"The United States must and will stand up for human rights," the president said.

But he cautioned that the isolation of China "is potentially dangerous."

China will, he said, "for good or ill, play a very large role in shaping the 21st century."

It was the first time Mr. Clinton has given a speech devoted solely to China, and administration aides acknowledge that he is in some measure playing defense. After mostly avoiding the subject before domestic audiences, he now needs to ensure that his voice, not those attacking Beijing on subjects as diverse as human rights, environmental policy and military proliferation, carries mostly clearly during the summit.

At one time, Mr. Clinton was in sym-

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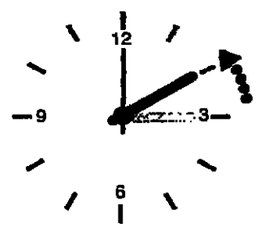
Time to Fall Back



Europe, the U.S. and Canada will return to standard time early Sunday when clocks will be set back by one hour.

Beijing has maneuvered to defuse the human rights issue. Page 3.

A Rebound in Hong Kong, but Is It Real?

Brokerages Slash Growth Outlook As Insiders Seem to Lead Recovery

By Philip Segal
Special to the Herald Tribune

HONG KONG — The Hong Kong stock market staged a rebound on Friday after one of the worst weeks in its history, but it was a modest recovery led by local government institutions and by companies purchasing their own shares in a desperate bid to prop up collapsing share prices.

Brokerages, ignoring the rebound for a longer-term view, slashed their economic growth outlooks for Hong Kong. Meanwhile, Standard & Poor's downgraded its foreign-currency debt ratings for Thailand and South Korea, causing markets there to tremble.

Analysts forecast that in the weeks ahead there would be more pressure on share prices and currencies across Asia, and many said Hong Kong's battle to protect its currency's peg to the U.S. dollar was far from over.

"In every currency crisis, it's not the first punch that knocks you out," said Michael Taylor, an economist at Indosuez WI Carr. "We're in day two. Everything else that's preceded this is phony."

The benchmark Hang Seng Index rose 6.9 percent, or 718.04 points, to 11,144.34. The index is still down 17 percent so far this year, and is down 33 percent from its Aug. 7 peak of 16,673.27.

"Buying today has come from listed companies buying back their own shares and also the government Land Fund and Jockey Club," said Antony Mak, director at Vickers Ballas Hong Kong Ltd. Other traders said there had been some foreign and retail buying later in the day.

Analysts seemed to agree that the governments in Hong Kong and Beijing were willing to keep interest rates high for as long as necessary to deter further attacks on the Hong Kong dollar. That would mean uncertain times ahead for Hong Kong's stock and property markets.

Thai leader names new cabinet. Page 4. • Seoul markets plunge as Korea debt rating falls. Page 13.

Those high rates lie at the heart of the forecasts for slower economic growth here. While much lower than on Thursday, when the Hong Kong Monetary Authority drove the rates banks charge each other to 200 percent and beyond, interbank rates were still unusually high at about 25 percent, signaling high consumer and mortgage rates for the immediate term.

Lehman Brothers has cut its forecast for Hong Kong's real economic growth to 5.3 percent from 5.8 percent for this year, and to 4.4 percent for 1998 from 6.1 percent.

A major Hong Kong brokerage, which asked not to be identified, is forecasting an average prime lending

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Asian Quake Could Test a Maxim: Shared Riches Bring Shared Risks

By David E. Sanger
New York Times Service

WASHINGTON — Since taking office, President Bill Clinton has repeated time and again that America's economic fortunes are tied to the spectacular growth of the powerhouses of the Pacific Rim. And the business world was far ahead of him, already building ventures from Kuala Lumpur to Hong Kong to New York.

But shared prosperity brings with it shared risk, and the question now is whether the financial earthquake that started somewhere under Thailand early this summer and then spread to Indonesia, Malaysia and Hong Kong will end up in the United States.

The U.S. stock market has already been rattled, with its blue-chip stock index falling 186 points Thursday and another 132.36 points on Friday to 7,715.41.

Some of the many possibilities being discussed on Wall Street and at the Treasury Department are that the United States could become a haven for investors who believe there is no longer any safe harbor in Asia — not even Hong Kong, which Thursday saw its biggest one-day market drop since the killings of pro-democracy demonstrators in Beijing in 1989, although it recovered more than half of that lost ground Friday.

But there is little question that the United States is at risk.

Consider that in 1995, when Mexico plunged into a crisis after a currency devaluation late the previous year, the United States did about $100 billion in business across its southern border. That was a big figure, big enough to spur Mr. Clinton to bail out the Mexican economy. But it is dwarfed by U.S. trade with Asia, which last year came in just shy of $300 billion, even without Japan.

Yet in Washington, there is no talk of a Mexico-style rescue for Southeast Asia, because the problems there vary greatly from country to country — and in some places are barely understood at all.

"Mexico was relatively clean, one country with a diagnosable set of problems," a senior official in Mr. Clinton's administration said recently.

See RISK, Page 5

The Dollar

New York	Friday @ 4 P.M.	previous close
DM	1.777	1.7673
Pound	1.6335	1.6327
Yen	121.945	121.93
FF	5.9545	5.9208

The Dow

	Friday close	previous close
-132.36	7715.41	7847.77

S&P 500

change	Friday @ 4 P.M.	previous close
-9.05	941.64	950.69

Firebrand For Hamas Holds Court

Sheikh Freed by Israel Feels His Way, Cagily

By Serge Schmemann
New York Times Service

GAZA — In Gaza, the walls are still the major distributor of news, and the dominant message now is Sheikh Ahmad Yassin. His stenciled visage looks down from every plastered wall, alongside slogans like "Fatah Greets Yassin!"

Whenever he is brought before a crowd, a chant rises: "With spirit and blood we will sacrifice for you, Yassin!" At his house in the shabby Zeitun section of Gaza, callers wait for hours to be summoned into the presence of the spiritual leader of Hamas, the strongest Islamic movement among the Palestinians.

Still, it is difficult at first to appreciate the magnetism of this man. Wrapped in a thick blanket, in a wheelchair, his arms and legs are lifeless, his eyes roam with only dim vision, he can barely hear, and when he speaks, it is in a thin falsetto.

The setting is far from regal. Barefoot children scamper in and out, and there are none of the legions of bodyguards and aides so favored by Yasser Arafat of the Palestinian Authority, whose Al Fatah movement has been the core of the Palestine Liberation Organization.

Yet, from that broken body the messages come clear and sharp. Sheikh Yassin misses nothing in a question, and he answers rapidly, and even in that squeaky voice he ranges between the practiced cadences of the preacher and the subtle innuendoes of the politician.

When he speaks of Israel, it is an almost rhythmic recitation of grievances, the voice rising ever higher in controlled fury:

"The Israelis are killing our children, our women and our elders. Why are the Israelis killing us? Why are they destroying our homes? Why are they kicking us out to live in the streets? Why is Israel confiscating our land? Why are they arresting hundreds of people without any reason? The Israelis are choking the Palestinian people and preventing them from living. This is slow murder."

Hamas will not abandon its "military operations," Sheikh Yassin declared, though he indicated the attacks could be called off if such a move was expedient. "If the movement concludes that the atmosphere is ready, then the movement moves," he said. "If not, it stays quiet. If they find that it is in the interest of the Palestinian people to stay quiet, they keep quiet. If they find it is for the benefit of the Palestinian people to strike, we strike."

But when questions shift to relations with Mr. Arafat and the Palestinian Authority, the tone becomes practical, albeit with a slight edge of irony. Since his return to Gaza on Oct. 7, Sheikh Yassin has repeatedly insisted that he is not in conflict with Mr. Arafat. But it is unclear whether this is sincere or reflects the fact that 80 senior members of Hamas are sitting in Mr. Arafat's prisons, under pressure from Israel and the United States.

"We are in one trench against one enemy," the sheikh said. "We have not weakened the Authority because we are not fighting the Authority.

"We do not want the government. We want this land. We want to remove the occupier from the land. We have different views on how to liberate our land, but this is the only difference between us. We are brothers, in one trench, against one enemy."

At other times he can be witty, charming. He smiled broadly when asked whether he might not at times long to be back in prison, where he spent eight

See YASSIN, Page 5

Brash Houston, a Bit Humbled, Rises From the Dead

By Sue Anne Pressley
Washington Post Service

HOUSTON — In the darkest days of this city's oil bust in the mid-1980s, Steve Zimmerman offered a deal called the Oil Barrel Special — a five-course meal for the going price of a barrel of oil.

As the price sank to nearly $9, from a boom high of $40, the hurting oilmen delighted in Mr. Zimmerman's bargain, even as they were losing their private jets, their several homes, their swiftly built fortunes. It was about the only break in town.

Now Houston is back from those dismal times, all the way back and seemingly stronger than ever, more diversified and better protected against the vagaries of the oil industry. Once-empty office buildings have filled, the port is bustling and new businesses are sprouting at a phenomenal rate.

"About 10 or 15 years ago, everybody thought Houston was dead and buried," said Joel Kotkin of the Pepperdine Institute for Public Policy. "And sort of like the Terminator, it's baaack. Basically, it's the great recovery that no one noticed. Right now the two smart-money places are Houston and Southern California, two places dissed in the last 15 years, but that have actually come back strong."

But no one here is about to forget how quickly and decisively this city that so delighted in displaying its wealth could be brought down.

"The town's booming again — with a caveat," said Mr. Zimmerman, who has charted the city's ups and downs through the effects on his restaurant. "They're not spending like they used to. They're still running businesses lean. They're much more skeptical now. Before, it was reckless abandon."

Urban and financial analysts agree that Houston, the fourth-largest city in the United States, with 1.6 million residents, is one of the best examples of "urban turnaround," as Mr. Kotkin calls it.

Much attention has been paid to more limited comebacks in Cleveland, Detroit and St. Louis, Missouri, Mr. Kotkin said. And he derided as "unbelievable hype" the praise for New York City's recent strides, while arguing that such full-fledged urban comebacks as Houston's have hardly won notice.

There is no question that Houston's revival has been

See HOUSTON, Page 5

Closing the Books on a Literary Shrine

Round Reading Room at the British Museum Goes Out of Circulation

By Sarah Lyall
New York Times Service

LONDON — To Virginia Woolf, it was like a domed brain that loomed overhead "as if one was a thought in the huge bald forehead."

To the writer Malcolm Bradbury, it was the place where he once fell in love, passing risqué notes back and forth across the desk of an indulgent elderly scholar.

And to Karl Marx, destitute but aflame with radical ideas, it was the refuge that enabled him to produce his ringing denunciation, "Das Kapital."

For 140 years, the Round Reading Room at the British Library has been both a gateway to knowledge and a singular retreat for the tens of thousands of people who have sat at its leather-covered desks and worked under its great Victorian dome, in the center of the British Museum. But on Saturday it is closing for good, crowded out of its premises, and its books and readers are moving across town to a sparklingly efficient new library that will have every modern convenience but won't, it seems, be the same at all.

"It was breathtaking," said Michael Drolet, who teaches the history of political ideas at the Royal Holloway College, University of London, describing how it felt to walk into the Reading Room for the first time as a graduate student, some 10 years ago.

His work has taken him around the world — to the Library of Congress, the Bibliotheque National in Paris, the Staatsbibliotheque in Frankfurt and the National Library in Ottawa — and none, he said, can begin to compare.

"I just find it so inspiring," said Mr. Drolet, who is planning a sad, final dinner with a group of reading-room friends at the pub across the street Saturday night. "The architecture, the dome, the atmosphere, the way the building breathes."

The move also seems to wipe out in one heavy stroke the long and eccentric history of a place that has been the research home of everyone from Pyotr Kropotkin, the anarchist, to Mahatma Gandhi, the pacifist.

It is here where the Victorian poet A. C. Swinburne, overwhelmed by the stifling air or perhaps by the raciness of his own poetry, fainted dead away one day in 1868.

It is here that W. B. Yeats compiled his anthologies of Irish fairy tales, that the novelist Angus Wilson worked as deputy superintendent and that George Bernard Shaw was spotted studying an orchestral score of Wagner's "Tristan und Isolde."

It is here that Lenin, wanting to retrace the footsteps of his hero Marx, got his own reader's pass in 1902 by using a fake name: Jacob Richter.

And it is here that the narrator of "Three Men in a Boat," Jerome K. Jerome's classic 19th-century comic novel, decided to look up the treatment for a minor ailment and ended up nearly having a nervous breakdown. "I had walked into that Reading Room a happy,

See MUSEUM, Page 5

Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 QR
Egypt	E£ 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

AGENDA

U.S.-Japan Port Accord Hits a Snag

WASHINGTON (Reuters) — A U.S.-Japanese agreement to change Japanese port practices has been blocked by a dispute over whether the U.S. Federal Maritime Commission will retain authority to enforce the agreement with sanctions, sources involved in the talks said Friday.

"The key issue here is ensuring that the Japanese live up to the agreement," a source said.

"The dispute is over potential future sanctions against the Japanese should the reforms not be implemented."

A tentative agreement in the long-standing dispute over foreign access to Japanese ports was reached on Oct. 17 after the Federal Maritime Commission threatened to ban Japanese cargo ships from entering U.S. ports and ordered fines.

Japanese negotiators maintained that their concessions were driven by a growing internal consensus in favor of drastic change at the ports.

U.S. Bets on Tradable Pollution Permits

If President Bill Clinton has his way, rights to spew carbon dioxide into the atmosphere will eventually be traded by energy producers, utilities and even investors on exchanges the way pork bellies and interest-rate futures are today.

The administration's plan for curtailing greenhouse gases demands no immediate action by businesses, but it shows that a system of trading emissions' permits is Mr. Clinton's preferred strategy for curbing pollutants in the long-term.

Although energy specialists like the idea, many economists say it would not be a panacea. Page 3.

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The IHT on-line www.iht.com

Balkans Bright Spot: Slashing of Weapons

By Raymond Bonner
New York Times Service

VIENNA — In the political gloom that hangs over the tenuous peace in the Balkans, with war criminals at large and refugees unable to return home, there is a glimmer of good news: The enemies who were at war two years ago have been destroying their weapons in large numbers.

In the past 16 months, 4,220 tanks, jets, helicopters and artillery pieces have been blown up, blow-torched or otherwise demolished, according to classified data from the Organization for Security and Cooperation in Europe that was provided to The New York Times.

"It's a great success story," said Sam Brown Jr., Washington's representative to the security organization, which monitors an arms control treaty that Balkan governments signed in June 1996. He and other officials there would talk about the weapons reductions only in general terms and would not discuss specific numbers, which the group has not made public.

The demolition has been carried out by Yugoslavia, Croatia and the two entities that make up Bosnia and Herzegovina — the federation of Muslims and Croats, and the Bosnian Serbs — all of which signed the treaty.

The security group's most recent report, dated Oct. 3, shows, for example, that Yugoslavia has destroyed 151 battle tanks and 477 big guns, while the Bosnian Serbs have demolished 242 battle tanks and 433 artillery pieces.

What diplomats describe as the successful carrying out of the treaty follows a shaky start, when all sides, but primarily the Bosnian Serb Republic, underreported the weapons in their arsenals.

A senior arms control expert at the European security organization, Donna Phelan, said the group was now satisfied that all parties had provided reasonably accurate reports on their holdings.

"They have been very good on moving forward on arms control," Ms. Phelan, a retired U.S. Army major and arms control specialist, said of the Bosnian Serb Republic.

The 1996 treaty sets limits on the number of tanks, armored vehicles, combat aircraft and artillery pieces each party may possess, and it requires the governments to destroy weapons to get down to those levels. The deadline for the demolition is Oct. 31.

While Bosnia and Herzegovina and the Bosnian Serb Republic still have several hundred artillery pieces to destroy, according to the security group's classified data, Ms. Phelan said the group expected the deadline to be met.

But while the treaty limits the weapons that all sides can have, the Muslim-Croat federation army will be left with shiny, modern ones, while the Bosnian Serbs are being left with largely outdated goods. This is because of the U.S. administration's $400 million "equip and train" program, which is designed to modernize the Bosnian Croats and Muslims. Thus, the Muslim-Croat federation is getting relatively modern, American-made M-60 tanks, while the Serbs are left with Russian-made, Korean-war vintage T-55s.

The Bosnian government has not declared what it has received under the program, and it has been slow in reporting its inventory to other parties as the treaty requires, officials at the security organization said.

Bosnia also has not succeeded in getting everything it wants from Washington. It has, for example, requested an anti-artillery radar system known as the Firefinder, according to Arms Trade News, which is published by a nongovernmental organization in Washington.

But the Pentagon has been opposed to this, in part, American officials say, because while Washington wants a more powerful Bosnian Army, it does not want one that is too powerful.

Some NATO officers in Bosnia have expressed the fear that, with their new prowess, the Bosnian Muslims will not wait long before seeking revenge on Bosnian Serbs for their ethnic cleansing campaign during the war and their later refusal to become part of Bosnia. But the recent American intelligence assessment concludes that for political and economic reasons, the federation is unlikely to start a war any time soon.

Hope for End Of Key Dispute In the Caspian

Reuters

WASHINGTON — The United States believes that a first toward an agreement in a territorial dispute between Armenia and Azerbaijan that is impeding Caspian Sea oil and gas deals may be possible this year, a senior official said.

"We think there is a chance for a first-phase agreement as early as the end of this year," the official, Stuart Eizenstat, undersecretary of state for economic affairs, told the Senate Foreign Relations Committee on Thursday.

He also said that the United States, which is focusing more attention on the Caspian Sea region and its potential, would open energy talks this fall with Azerbaijan and Turkmenistan, and that the U.S. government had to do much more to help American companies compete for energy deals in the region.

But Senator Sam Brownback said he did not believe enough was being done to take advantage of what he called a narrow window of opportunity to influence events in the region. The Kansas Republican plans to introduce legislation that would set a policy for the region, provide aid and seek to ensure that Iran and Russia do not play too strong a role.

In his testimony, Mr. Eizenstat noted the Caspian's potential as one of the most important new energy producing regions and said its rapid development was "critical to the independence, prosperity, democracy and stability of all the countries of Central Asia and the Caucuses."

The United States is involved in a major initiative to encourage countries in the region to end conflicts, the most important of which is over the Nagorno-Karabakh autonomous region in Azerbaijan, which is populated by ethnic Armenians. Nagorno-Karabakh declared its independence from Azerbaijan in 1991, but Azerbaijan did not recognize the move.

A cease-fire in 1994 brought fighting over the region to an end.

Speaking of efforts to resolve the conflict, Mr. Eizenstat said: "We believe we are making real progress, and our task now is to organize serious negotiations on the basis of our proposal."

As a first step, the United States, France and Russia proposed in May that Armenia recognize the territorial integrity of Azerbaijan and that Azerbaijan grant Nagorno-Karabakh an extraordinarily high degree of autonomy.

President Levon Ter-Petrosyan of Armenia said last month that neither independence for the enclave nor union with Armenia would be realistic. This raised hopes for a settlement.

The Associated Press

The body of Zoran Todorvic lying in a pool of blood Friday in Belgrade; inset, Mr. Todorvic last month.

Another Milosevic Associate Is Assassinated

The Associated Press

BELGRADE — In a bold, gangland-style attack, a top political associate of President Slobodan Milosevic and his powerful wife was killed Friday on a Belgrade street.

Zoran Todorovic, 38, is the third and highest-ranking member of Mr. Milosevic's circle to be shot fatally this year. His violent demise is certain to send tremors through the ruling Yugoslav coalition led by Mr. Milosevic and his neo-Communist wife, Mirjana Markovic.

Opposition politicians were quick to seize on the killing as a sign of the links between political power and crime in Yugoslavia.

The opposition Democratic Party called the killing "a logical consequence" of the crime, corruption and lawlessness that have surged since Mr. Milosevic came to power.

Vuk Draskovic, the leader of another opposition party, said that "in this country, we have gangland laws," adding, "We are heading for chaos if this rule is not changed."

Mr. Todorovic was shot and killed about 8 A.M. near the offices of Beopetrol, one of the biggest oil companies in Yugoslavia. He was the top manager at the firm, which has a virtual monopoly on oil imports by Yugoslavia, now consisting of Serbia and tiny Montenegro.

Belgrade's independent Radio B-92 reported that Mr. Todorovic, who also served as general secretary of Mrs. Markovic's Yugoslav United Left party, was shot in the head near his parked Mercedes. The police said his bodyguard, Sinisa Milenkovic, 32, was shot and seriously wounded.

The assassin, reportedly young and wearing a blue cap, fled after two close-range rounds from his machine gun, witnesses said.

Blair Urges Commonwealth 'To Advance the Future'

Reuters

EDINBURGH — Prime Minister Tony Blair of Britain opened a four-day Commonwealth summit meeting Friday by calling on its members to raise the banners of democracy and economic freedom around the world.

As the 54-nation grouping faced criticism for its reluctance to punish Nigeria on human rights charges, Mr. Blair told leaders representing a quarter of the globe that the Commonwealth was needed more today than ever.

"I am a passionate believer in the Commonwealth," he told the first summit meeting of the group to be held in Britain in 20 years. "It is a global community of nations.

"Our task is to be bridge-builders between the developed and developing world, to advance the future — the time when there is one world, a developed one in which all nations share."

Mr. Blair says he wants the Commonwealth, which mainly groups Britain and its former colonies, to make better use of its common language and customs to forge closer economic ties. The 54 members account for 20 percent of global trade.

"We should challenge the rest of the world to meet the dual objectives of democratic and economic freedom together — because we unite all the continents of the globe, we can set an example for others to follow," he said.

But the difficulty in steering by what Mr. Blair called the Commonwealth's "strong moral compass" was underlined when diplomats said Ghana would refuse to impose all the sanctions being considered against Nigeria if it failed to meet an ultimatum to restore democracy within a year.

Nigeria was suspended from the Commonwealth during its 1995 summit meeting in New Zealand for executing nine minority rights activists. The Edinburgh meeting is likely to threaten further punishment if the military government continues to delay long-promised political reforms.

In a break with tradition, the opening session was also addressed by the head of the Commonwealth, Queen Elizabeth II, who recalled that in the year of her coronation, 1953, only eight prime ministers attended its meeting.

The queen was embroiled in controversy during a visit to India and Pakistan this month that was littered with diplomatic blunders.

India, in particular, criticized the British foreign secretary, Robin Cook, for reportedly offering to mediate in its dispute with Pakistan over Kashmir.

But, to warm applause, Prime Minister Inder Kumar Gujral of India went out of his way Friday to lavish praise on the queen and congratulated her and her husband, Prince Philip, on their 50th wedding anniversary.

For U.S. Army, It's 53 Sit-Ups, Man or Woman

The Associated Press

WASHINGTON — The U.S. Army, announcing new fitness standards, says that women will have to do as many sit-ups as men. It is the first time the army has set an equal marker for the sexes in physical fitness, and it reflects women's growing influence in the army.

In the other two measures of fitness, push-ups and running, men still will be required to do more. Starting next October, it will take 53 sit-ups in two minutes for a recruit to make the cut — male or female.

TRAVEL UPDATE

Advisory in Cambodia

PHNOM PENH (AP) — The U.S. Embassy on Friday warned Americans in Cambodia to be especially cautious during a gathering this weekend of Hun Sen's political party.

While tensions have subsided since Hun Sen took power in a coup in July, the 2,000 Americans in Cambodia were told to "remain vigilant about their personal security."

Lauda Air of Austria will begin services between Vienna and the Baltic capitals of Riga, Vilnius and Tallinn starting Sunday. *(AP)*

The new carrier Swiss World Airways said Friday that it had sufficient capital to begin operations and would send off its first Geneva-New York flight in mid-December. *(AFP)*

French truck drivers' unions and management were to begin talks Friday aimed at averting a strike threatened for Nov. 2, but the unions have already rejected as "unacceptable" the latest wage offer. *(AFP)*

Correction

A review of Pedro Almodovar's "Live Flesh" in the Leisure pages Friday misidentified one of the actors. The article should have mentioned Javier Bardem.

BRIEFLY

Czech Leader Rejects Deputy's Call for Vote

PRAGUE — Fresh strife broke out in the governing Czech coalition on Friday as Prime Minister Vaclav Klaus rejected calls from his deputy for a new government program and a vote of confidence in Parliament.

Deputy Prime Minister Josef Lux said that the unexpected resignation Thursday of Foreign Minister Josef Zieleniec, combined with economic problems, had fundamentally changed the political situation.

Mr. Lux said his Christian Democratic Party "therefore considers it to be necessary for the government, with a new program statement, to ask the chamber of deputies of the Parliament to express its confidence."

Mr. Klaus, head of the Civic Democrats, accused Mr. Lux of issuing a "diktat," and said there was no need to reopen the government program.

"I must consider today's statement to be a diktat, or at least an attempt at a diktat," the prime minister said, describing the Christian Democrats' call as "weird." *(Reuters)*

Greece Asks Turkey To End Provocations

ATHENS — Greece said Friday that any clash with Turkey in the Aegean Sea would be madness, and called on Ankara to halt what it sees as acts of provocation.

"Whoever deliberately provokes a hot incident will be opening the door of a madhouse," Foreign Minister Theodoros Pangalos said.

"I believe it is inconceivable for a big country like Turkey to open that door," he said.

His comments came a day after Athens and Ankara accused each other of being at fault over a near-collision between naval ships in the Aegean. That was one of several incidents that raised tensions between the two NATO allies in a 10-day period. *(Reuters)*

German Troops Spark Outcry on Nazi Salute

BONN — A videotape of eight German soldiers giving the outlawed Hitler salute and making anti-Semitic remarks prompted calls Friday for stiffer monitoring and political training for recruits.

The video, obtained by the German television network SAT-1, was made by two officers and six other soldiers during a training session three years ago in the eastern state of Saxony while preparing for a peacekeeping mission in former Yugoslavia.

Its veracity was confirmed by the German Defense Ministry. *(Reuters)*

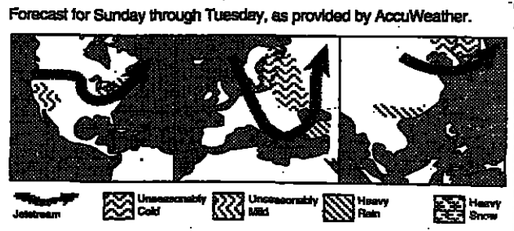
Papon Trial in Doubt

BORDEAUX — Doctors said Friday that Maurice Papon must stay in the hospital through the weekend to treat serious bronchitis, casting doubt on whether his trial for crimes against humanity in Nazi-occupied France could resume Monday.

The Haut-Leveque hospital near Bordeaux, where the former French cabinet minister was taken early Thursday, said Mr. Papon, 87, had left the intensive care unit and was being treated in the cardiology unit. *(Reuters)*

WEATHER

Forecast for Sunday through Tuesday, as provided by AccuWeather.



North America
A storm in the Midwest will track northeastward, spreading soaking rain from Illinois to Pennsylvania and New York Sunday and Monday. Cold air behind the storm will cause snow and ice across Wisconsin and Iowa. Sunny and warm in California, but windy and cool in the Southwest.

Europe
Cold across Scandinavia, northeastern Europe and western Russia Sunday to Tuesday with periods of snow from Moscow to St. Petersburg, but just a few flurries elsewhere. Some sun and dry in Germany with cold nights and chilly afternoons. Western Europe will be cool with some sunshine.

Asia
Windy and cold in Beijing Sunday, but milder by Tuesday. Chilly and dry in Seoul through the period, while Tokyo will be cool with some sun and the chance for showers. Cold in Manchuria; snow is likely in the east Sunday. Sunny and dry in most of China, but rainy in the southeast.

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, I-ice, W-Weather.

All maps, forecasts and data provided by AccuWeather, Inc. © 1997

Europe

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Algarve	23/73	16/61 c	23/73	16/61 pc
Amsterdam	8/46	4/39 sh	7/44	3/37 c
Ankara	16/61	11/52 r	13/55	7/44 r
Athens	22/71	13/55 sh	17/62	9/48 pc
Barcelona	17/62	9/48 s	17/62	12/53 pc
Belgrade	7/44	-3/27 s	6/43	-7/20 sf
Berlin	5/41	-4/25 sn	2/35	-4/25 pc
Brussels	9/48	4/39 c	8/46	3/37 c
Budapest	6/43	1/34 s	6/43	-9/15 s
Copenhagen	2/35	-3/27 sn	2/35	-4/25 pc
Costa Del Sol	23/73	16/61 c	23/73	14/57 pc
Dublin	11/52	6/43 pc	12/53	5/41 pc
Edinburgh	9/48	4/39 sh	9/48	5/41 c
Florence	11/52	3/37 s	15/59	4/39 s
Frankfurt	4/39	-5/24 sn	2/35	-7/20 c
Geneva	10/50	2/35 s	11/52	2/35 pc
Helsinki	-3/27	-6/22 c	-3/27	-9/15 c
Istanbul	17/62	7/44 r	12/53	6/43 r
Kiev	1/34	-6/22 pc	1/34	-6/15 sn
Las Palmas	26/79	19/66 pc	26/77	20/68 s
Lisbon	21/70	16/61 sh	21/70	15/59 c
London	11/52	8/46 pc	11/52	6/43 pc
Madrid	20/68	12/53 c	19/66	8/46 c
Mallorca	21/70	10/50 s	19/66	11/52 pc
Milan	10/50	3/37 s	13/55	2/35 s
Moscow	0/32	-8/18 sn	-2/29	-7/20 c
Munich	3/37	-1/31 sf	2/35	-7/20 pc
Nice	14/57	8/46 s	18/64	9/48 s
Oslo	0/32	-5/24 pc	1/34	-5/24 pc
Paris	9/48	3/35 s	10/50	3/37 pc
Prague	3/37	-3/27 sn	2/35	-4/15 s
Reykjavik	11/52	6/48	11/52	6/48 c
Riga	0/32	-3/27 sn	1/34	-7/20 sn
Rome	15/59	4/39 s	17/62	7/44 s
St. Petersburg	-3/27	-4/25 sn	-3/27	-7/20 sn
Stockholm	1/31	-6/22 c	-1/31	-9/15 pc
Strasbourg	7/44	1/34 pc	9/48	0/32 c
Tallinn	-1/31	-4/25 c	-2/29	-8/18 c
Tbilisi	19/64	12/53 sh	21/70	12/53 sh
Venice	8/48	3/37 pc	13/55	0/32 pc
Vienna	4/39	1/34 c	3/37	-4/15 pc
Warsaw	-1/31	-4/25 sn	0/32	-5/15 sn
Zurich	7/44	0/32 pc	7/44	0/32 c

Middle East

Abu Dhabi	33/91	21/70 s	34/93	20/68 pc
Beirut	27/80	19/66 s	28/82	21/70 pc
Cairo	30/86	18/64 s	32/89	19/66 pc
Damascus	27/80	11/52 s	28/82	13/55 pc
Jerusalem	24/75	13/55 s	25/77	14/57 pc
Luxor	35/95	15/59 s	34/93	14/57 s
Riyadh	28/82	17/62 pc	30/86	18/64 pc

Africa

Algiers	23/73	12/53 pc	23/73	13/55 pc
Cape Town	18/64	8/46 pc	17/62	7/44 pc
Casablanca	25/77	16/61 pc	24/75	16/61 s
Harare	28/82	10/50 s	30/86	11/52 s
Lagos	30/86	23/73 pc	30/86	23/73 pc
Nairobi	28/82	12/53 pc	29/84	13/55 pc
Tunis	22/71	8/46 pc	23/73	9/48 pc

Asia

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Almaty	19/66	6/43 s	19/66	7/44 c
Bali	32/89	21/70 s	31/88	20/68 s
Bangkok	32/89	22/71 r	29/84	22/71 c
Beijing	11/52	-2/29 s	11/52	1/34 s
Bombay	31/88	21/70 s	30/86	21/70 pc
Calcutta	29/84	19/66 pc	29/84	19/66 pc
Chiang Mai	31/88	19/66 c	29/84	18/64 c
Colombo	29/84	23/73 pc	29/84	23/73 sh
Hanoi	30/86	22/73 c	27/80	18/64 r
Ho Chi Minh	31/88	22/71 pc	31/88	23/73 pc
Hong Kong	26/79	21/70 pc	25/77	19/64 pc
Islamabad	29/84	11/52 s	28/82	13/55 pc
Jakarta	31/88	23/73 pc	29/84	23/73 t
Karachi	32/89	19/64 s	32/89	19/66 s
K. Lumpur	31/88	22/71 c	30/86	22/71 r
K. Kinabalu	29/84	23/73 pc	28/82	22/71 c
Manila	29/84	21/70 sh	29/84	21/70 sh
New Delhi	29/84	12/53 s	30/86	13/55 s
Phnom Penh	29/84	22/71 pc	29/84	22/71 pc
Phuket	32/89	22/71 r	29/84	22/71 c
Rangoon	31/88	21/70 pc	30/86	21/70 pc
Seoul	11/52	-2/29 pc	9/48	-1/31 pc
Shanghai	18/64	11/52 r	14/57	5/41 pc
Singapore	29/84	22/71 pc	28/82	21/70 sh
Taipei	28/79	19/66 pc	26/79	19/64 pc
Tokyo	23/73	13/55 s	19/66	12/53 pc
Vientiane	31/88	19/66 pc	28/82	18/64 c

North America

Anchorage	-2/29	-11/13 pc	-2/29	-7/20 pc
Atlanta	26/79	16/61 c	23/73	11/52 sh
Boston	12/53	7/44 r	13/55	9/48 c
Chicago	9/48	4/39 r	8/46	1/34 r
Dallas	24/75	9/48 pc	12/53	3/37 pc
Denver	-3/29	-9/15 sn	7/44	-4/25 pc
Detroit	10/50	4/39 r	13/55	2/35 r
Honolulu	28/82	21/70 pc	30/86	22/71 pc
Houston	30/86	17/62 pc	21/70	3/37 c
Los Angeles	29/73	13/55 s	28/82	11/52 s
Miami	31/88	23/73 pc	30/86	23/73 pc
Minneapolis	1/34	-4/25 c	4/39	-3/29 pc
Montreal	8/43	-3/27 sh	10/50	6/43 c
Nassau	30/86	22/71 s	31/88	24/75 pc
New York	14/57	10/50 r	14/57	13/55 sh
Orlando	31/88	21/70 pc	30/86	21/70 pc
Phoenix	21/70	8/46 pc	22/71	10/50 s
San Fran.	23/71	12/53 s	20/68	9/48 s
Seattle	13/55	7/44 pc	13/55	6/43 sh
Toronto	8/46	1/34 r	14/57	4/39 sh
Vancouver	10/50	6/46 sh	10/50	-2/29 pc
Washington	20/68	12/53 r	19/66	12/53 sh

Latin America

Buenos Aires	21/70	7/44 r	22/71	11/52 pc
Caracas	29/84	20/68 pc	29/84	21/70 pc
Lima	22/71	17/62 c	22/71	17/62 pc
Mexico City	26/77	10/50 s	22/71	11/52 pc
Rio de Janeiro	31/88	24/75 s	29/84	23/73 pc
Santiago	19/66	6/43 pc	16/61	3/35 c

Oceania

Auckland	18/64	11/52 s	17/62	10/50 s
Sydney	28/82	19/66 pc	28/82	20/68 pc

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NETHERLANDS	NLG	195	78	60%
NORWAY	NOK	832	390	53%
SINGAPORE	$S	146	82	43%
SPAIN	PTAS	11,700	5,000	57%
SWEDEN	SEK	832	350	58%
SWITZERLAND	CHF	166	66	60%
USA	$	78	43	45%

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صكذا من الاصل

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Beijing Maneuvers to Defuse Rights Issue Ahead of Jiang's U.S. Visit

By Steven Mufson
Washington Post Service

BEIJING — President Jiang Zemin's visit to the United States, which begins Sunday, is unlikely to produce any immediate breakthroughs for China's estimated 2,000 political prisoners, sources here say.

But in the weeks of planning that have preceded Mr. Jiang's state visit, China has tried to defuse the issue by participating in several series of talks about prison conditions and political prisoners with foreign individuals or organizations, including United Nations investigators.

While China often is said to allow its citizens greater day-to-day freedom than at any time in the past century, people in China still face imprisonment if they cross a political line by questioning the authority of the Communist Party.

Although the United States has pressed for the release of several prominent political prisoners, sources in Beijing say a major release before or during Mr. Jiang's trip is unlikely. Mr. Jiang does not want to look as though he is bending under U.S. pressure and does not want his message drowned out by a newly released dissident.

Moreover, China has turned Western arguments about the importance of the "rule of law," into an argument against prisoner releases. Rather than free people for diplomatic or political reasons, Chinese officials now argue, prisoners must obey the "rule of law" and go through formal medical parole procedures.

Some American sources say some releases might occur after Mr. Jiang's trip, perhaps near the time of the planned November visit to the United States by China's justice minister.

The recent talks about political prisoners have been held with groups or individuals because China long has argued that foreign governments should not interfere with China's internal affairs.

China allowed two senior UN investigators to select 30 Chinese inmates for private interviews in a rare look inside China's prisons, jails and labor camps, a UN spokesman said this week. In Lhasa, Tibet, however, Chinese authorities allowed the UN workers to speak to only four or five of the several detainees the investigators had asked to see there.

On another front, John Kamm, an American business consultant who has a long history of lobbying China about human rights, has been pressing Chinese officials to release information about prisoners as a means of making the Chinese system more transparent. In 1995, China's Justice Ministry had agreed to provide Mr. Kamm with information about 25 people every three months but broke off the arrangement after one list.

The most prominent prisoner is Wei Jingsheng, 47, who has spent all but six months of the past 18 years in jail for challenging Communist rule and calling for democratic elections.

A former Red Guard, he first called for democracy in 1979, and he was sentenced to a new 14-year term last year for plotting to overthrow the government.

"Jiang Zemin, this No. 1 figure in the Chinese Communist dictatorship group, will inevitably make his October trip to the United States and will soon step on the White House's red carpet," said a letter sent to President Bill Clinton by the New York-based exile group Human Rights in China, a copy of which was released Thursday.

"But Wei Jingsheng in prison endures the torment of many sicknesses and the harassment of his fellow prisoners. He is insulted and beaten, and his life is threatened."

A Foreign Ministry spokesman dismissed the report about Mr. Wei's health as a "rumor" and said Human Rights in China "either doesn't understand his basic situation or has ulterior motives."

Among the other most prominent political prisoners in China are Wang Dan, a student leader during the 1989 Tiananmen Square demonstrations who is serving his second jail sentence, and Liu Xiaobo, a literary critic and Beijing intellectual who was arrested in 1995 after he sent an open letter to Mr. Jiang.

Despite China's revised criminal code, which eliminated counterrevolutionary crimes as a category and limited the amount of time people can be detained without trial, Mr. Liu fell through one of the loopholes in the law. Under a clause granting wide power to police, security forces were able to send him to a "reform through education" camp for a three-year term without bringing him to trial.

The Chinese government's position on religion also will be subject to scrutiny during Mr. Jiang's visit to the United States.

In recent months, the government has waged a campaign to disrupt the underground, or unofficial, Roman Catholic Church in what Catholic leaders see as an effort to force them into accommodation with the government-sponsored church.

U.S. Bets on Tradable Permits to Control Pollution

By Peter Passell
New York Times Service

NEW YORK — If President Bill Clinton has his way, rights to spew carbon dioxide into the atmosphere will eventually be traded by energy producers, utilities and even investors on exchanges the way pork bellies, Deutsche marks and interest-rate futures are today.

While the administration's plan for curtailing greenhouse gases, announced Wednesday in preparation for the world talks on climate change in Kyoto, Japan, in December, demands no immediate action by businesses, it shows that a system of tradable emissions permits will figure prominently in any long-term U.S. plan to control pollutants.

Such a system, already being used under the Clean Air Act of 1990 to cut sulfur emissions, would allow companies that voluntarily reduced emissions below a certain level to sell the difference between their actual emissions and the limits as unused "rights" to pollute.

The reliance on free markets in reducing carbon emissions to 1990 levels has been greeted with enthusiasm by specialists who have long argued that managing the task with traditional regulation would be hugely wasteful.

"An approach that promises to reduce the cost of containment by 90 percent is certainly worth a try," said Richard Richels of the Electric Power Research Institute in California.

But many economists caution that emissions trading is no panacea. They emphasize the desirability of bringing developing countries into the trading program as soon as possible and the need for care in designing the control mechanisms that will redirect billions or even trillions of dollars in pollution-control investments worldwide.

"At this point, the learning is more important than the doing," said Robert Hahn of the American Enterprise Institute, a research group in Washington.

The Clinton administration's plan has been criticized by governments of many other countries that will attend the Kyoto conference, at which the participants will try to agree on a global climate treaty. The critics say the American plan is not aggressive enough because it would not roll back emissions to 1990 levels until sometime between 2008 and 2012. Whatever happens in Kyoto, however, Mr. Clinton seems committed to emissions trading.

It is no secret why: It costs less and keeps government intervention in the background.

To date, the most ambitious U.S. use of tradable permits has been in containing the sulfur emissions from power plants that contribute to acid rain.

Under the Clean Air Act, total sulfur emissions were capped by giving electric utilities "rights" to emit sulfur roughly in proportion to their 1980 emissions levels. Companies that reduce emissions below their allowance, whether by closing plants, switching fuels or attaching chemical scrubbers to their smokestacks, are free to sell their surplus pollution rights, and others can exceed their limits by buying those rights.

The market for sulfur-emission permits has flourished as utilities with low-cost sources of clean fuel have found it profitable to operate within the government standards and sell part of their allotments to pollute. Last year, the market price of sulfur allowances averaged a little more than $100 a ton.

"Emissions have been reduced at a cost far lower than the most optimistic forecasts," said Richard Sandor, the chief executive of Center Financial Products and deputy chairman of the Chicago Board of Trade.

Some economists are confident that similar serendipities await a trading system for carbon dioxide and perhaps other greenhouse gases.

Meeting the Goal on Greenhouse Gases

A Clinton administration plan to reduce the amount of heat-trapping gases in the atmosphere to 1990 levels would allow companies several options to meet that goal. Here is how it would work.

A factory could try to reduce its emissions by upgrading its equipment or using cleaner fuel sources. If it did not succeed, it could...

OPTION 1
...Buy the right to emit more heat-trapping gases from a company that has reduced its emissions below its target level.

OPTION 2
...Pay to preserve forests. Because plants absorb carbon dioxide, the most prevalent heat-trapping gas, preservation of trees increases the amount of carbon dioxide the planet can handle.

OPTION 3
...Pay to modernize a plant in a developing country and reduce its heat-trapping gas emissions.

The New York Times

POLITICAL NOTES

Black Women Plan March of a Million

WASHINGTON — The idea was little more than a dream when it was hatched just over a year ago by two Philadelphia activists: Bring a million black women together in a show of solidarity similar to the Million Man March held in 1995. But the fantasy is rapidly becoming real, as city officials in Philadelphia prepare for as many as a half-million women to assemble there Saturday.

Organizers of the Million Woman March are hoping the event will serve as a galvanizing force for women of African descent.

"The march is a declaration of independence against ignorance, injustice, poverty and abuse, and all the negative things that tend to separate us as black women and deteriorate us as a people," said Phile Chionesu, a co-founder of the march.

Wessita McKinley, public relations director for the Washington regional chapter of the march, said the event is taking hold among black women — from middle-class professionals to public-housing tenants — who sense a common destiny.

"It's taking off like wildfire," she said. "It is having a snowball effect. It started small, but as we continue to run, it is building."

Organizers say they expect Representative Maxine Waters, Democrat of California; Winnie Madikizela-Mandela, the former wife of President Nelson Mandela of South Africa; and Representative John Conyers Jr., Democrat of Michigan, to speak. Others on the program include Sister Souljah, the rap activist made famous when she was criticized by Bill Clinton during his 1992 presidential campaign. *(WP)*

Albright Assails Religion Legislation

WASHINGTON — Secretary of State Madeleine Albright has attacked a religious freedom bill pending in Congress as damaging to U.S. foreign policy interests.

Mrs. Albright took aim at a bill seeking to punish other countries that persecute religious groups, in a speech Thursday at Washington's Catholic University.

"Although well-intentioned," she said, "this bill would create an artificial hierarchy among human rights with the right to be free from torture and murder shoved along with others into second place."

She added, "It would also establish a new and unneeded bureaucracy and deprive U.S. officials of the flexibility required to protect the overall foreign policy interests of the United States." *(Reuters)*

Quote/Unquote

Charles Rossott, a management consultant poised to head the Internal Revenue Service, testifying before the Senate Finance Committee, which is considering his nomination: "I believe the long-term goal should be to provide service to taxpayers that is consistently as good as they receive from leading companies in the private sector." *(NYT)*

Away From Politics

- **The San Francisco police and the FBI** are looking into the possibility that sabotage caused a widespread power outage that frustrated commuters and disrupted businesses. A bank of transformers failed, blacking out electricity to 126,000 customers in mid-city. *(AP)*
- **With half of the 147 schools** in the nation's capital facing heating problems, the city government is urging parents to dress their children in layers to cope with classroom temperatures. Fire inspectors closed one school because of lack of heating. *(AP)*
- **Parents may fear poisoned** candy or razors in apples on Halloween, but the government says that cars are the biggest killers of children that night. From 1975 to 1996, an average of four children ages 5 to 14 were struck and killed by cars on Halloween night, the Centers for Disease Control and Prevention said in Atlanta. On every other night of the year, an average of one child nationwide is killed by a car. *(AP)*

AIDS Study in Africa Drops Placebos

By Sheryl Stolberg
New York Times Service

WASHINGTON — A team of researchers at Johns Hopkins University has abandoned plans to use dummy pills in an experiment on Ethiopian women who are pregnant and infected with the AIDS virus.

The use of the dummy pills as a placebo has renewed the intense debate over the ethics of a series of federally financed studies in developing countries.

The study, which is to begin in late February or early March and will be paid for by the National Institutes of Health, was initially designed to see whether a short course of the anti-AIDS drug, AZT, is more effective than a placebo in reducing transmission of the AIDS virus, HIV, from a pregnant woman to her baby.

In the United States, tests comparing the effects of an intensive treatment of AZT with those of placebos ended in 1994 once it was shown that the drug sharply reduced transmission of the virus from mothers to their babies.

But the drug's high cost makes it prohibitive for many women in the developing countries to take it.

Nevertheless, since it is now routine for pregnant women with AIDS in the United States to receive AZT, there has been a bitter controversy about the use of dummy pills in the foreign studies.

A spokeswoman at the Johns Hopkins School of Public Health said Thursday that the researchers did not change the design of the Ethiopian study in response to the controversy.

Rather, said Liz Pettengill, the spokeswoman for the researchers, the scientists are expecting that a study under way in Thailand will prove that a short course of AZT is more effective than a placebo.

If that is the case, she said, there is no need for the Johns Hopkins researchers to employ the dummy pills in their study.

According to Jack Killen, who directs the Division of AIDS at the National Institute on Allergy and Infectious Diseases, preliminary results from the Thailand study are expected in January.

At that point, he said, all the studies will be re-evaluated, including current tests in the Ivory Coast and Tanzania and one planned for Uganda.

If the short course of AZT is proved effective, none of the studies will continue to use a placebo, he said.

"This has been part of a plan from the very beginning," Mr. Killen said.

"It's not like a light bulb just went off: 'Oh, my goodness, we've got to look at the Thai study.'"

Missing Gulf War Logs 'Probably Destroyed'

By Dana Priest
Washington Post Service

WASHINGTON — The Pentagon inspector general has determined that a set of missing chemical weapons logs from the Gulf War, which veterans' groups say could provide valuable information about possible chemical exposures, was wrongfully destroyed by U.S. Army officials during an office move after the war. A second set, the report said, is still missing.

But the inspector general said there was no evidence "to support the theory that any individuals or organization participated in a conspiracy to destroy or conceal the logs."

Rather, one set of logs at MacDill Air Force Base in Florida was "probably destroyed" in the moving of the office that kept the chemical weapons-related logs for the Central Command, which was in charge of U.S. forces during the war. Another computer disk copy of the logs, which an officer sent to his office after the war, is missing.

The report also said an officer who helped keep the logs during the war was under criminal investigation for having taken and kept a classified "log extract" of the documents at a storage facility where she kept personal belongings. The extract contains no information that investigators believe directly relates to possible chemical releases.

Among the missing documents are those from March 4 and March 10, 1991, when U.S. troops blew up Iraqi chemical weapons at a storage depot in southern Iraq.

Rebels Hold 3 Monitors Before Colombian Vote

The Associated Press

BOGOTA — Leftist guerrillas have seized two international election observers and a Colombian official, vowing not to release them until after national elections Sunday for state and municipal posts.

Raul Martinez of Chile and Manfredo Marroquin of Guatemala were kidnapped Thursday by rebels in a mountainous region about 175 kilometers (about 110 miles) northwest of Bogota, officials said. Mr. Martinez and Mr. Marroquin are among the 35 election monitors sent by the Organization of American States. A Colombian human rights official, Juan Diego Ardila, also was abducted.

The kidnappers belong to the National Liberation Army, Colombia's second-largest rebel group, a Colombian official said. A rebel intimidation campaign has threatened elections in many municipalities. At least 27 candidates have been killed and more than 2,000 have withdrawn because of death threats.

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BREMEN

I.B.C., Hohenlohestr. Harmann-Bose-Str. Worship Sun. 17:00. Pastor telephone: 0421-76 648.

BUCHAREST

I.B.C., Strada Popa Rusu 22, 3:00 p.m. Contact Pastor Mike Kemper, Tel. 312 3860.

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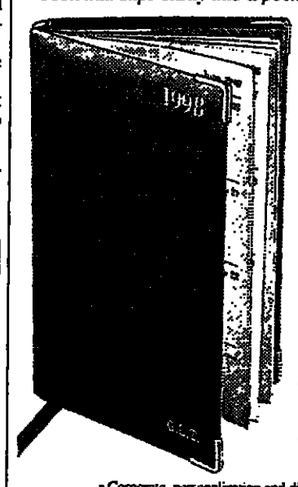

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Thai Leader Reshuffles His Cabinet

Aide Calls IMF Rules For Bailout Too Strict

By Thomas Crampton
International Herald Tribune

BANGKOK — After a week of intense political negotiations, Prime Minister Chaovalit Yongchaiyut appointed a new cabinet Friday and made clear his intention to call elections in Thailand as early as possible.

The main focus of the reshuffle was the economic portfolios. Following Mr. Chaovalit's audience with King Bhumibol Adulyadej on Friday evening, the government announced a cabinet lineup that includes the country's fourth finance minister in 12 months.

The economic portfolios were dominated by senior bankers, with the executive director of Bangkok Bank PLC, Kosit Papiemrat, appointed finance minister and the president of Siam City Bank PLC, Som Jatusipitak, taking over as commerce minister.

Mr. Kosit will face the same political pressure that caused his two predecessors to resign. Two other former bankers, Thanong Bhidaya and Amnuay Viravan, each left the cabinet post following disputes with other cabinet members over raising taxes to meet austerity measures.

The markets will judge the new cabinet when they reopen Monday, but economic analysts said Friday that they were not confident the new cabinet could do much to revive the country's economy. Their unease was increased after a top finance official appointed Friday said that conditions laid out to comply with a $17.2 billion International Monetary Fund-led bailout were too strict.

Deputy Finance Minister Surasak Nananukool, whose comments have set off controversy in the past, said the conditions for reviving finance companies shut by the authorities were too strict.

Since June, the government has shut almost two-thirds of the country's 91 finance companies.

"They want the companies consigned to the Bank of Thailand to be healthier than those still operating," said Mr. Surasak, a former adviser to Mr. Chaovalit. "You don't ask a patient to run faster than people outside the hospital." He said the World Bank's demands for diligence were too tough and the capital-adequacy ratio of 15 percent was too high.

Mr. Surasak added that the shortage of cash facing the country's companies was a keen concern that might require further assistance from the IMF.

"We have a unique situation with foreign commercial banks calling back loans on a massive scale," he said. "I don't know if the money we have will be enough; perhaps the IMF can provide a solution."

The IMF has already complained of political interference in the implementation of the package, and Australia, a $1 billion contributor to the rescue, has said it would withdraw its portion if the Thais failed to follow austerity measures.

"There are so many important groups to worry about with an election on the horizon," said an analyst who asked not to be named. "The IMF will be the most expendable." He added, "It has not happened yet, but Chaovalit might try to turn the external situation to political advantage by blaming things on the IMF."

While the passing of constitutional laws to allow elections was expected to take about six months, the government spokesman said the laws for new polls would be in place by the end of the year.

"The parliamentary debate and approval of the drafts, with cooperation of both the House of Representatives and the Senate, should be completed within a few weeks" and the government would "return the mandate to the people," the spokesman said.

As Thailand's currency and stock market plunged, political wrangling has halted the implementation of the financial reforms required by the IMF rescue plan and put in place in August.

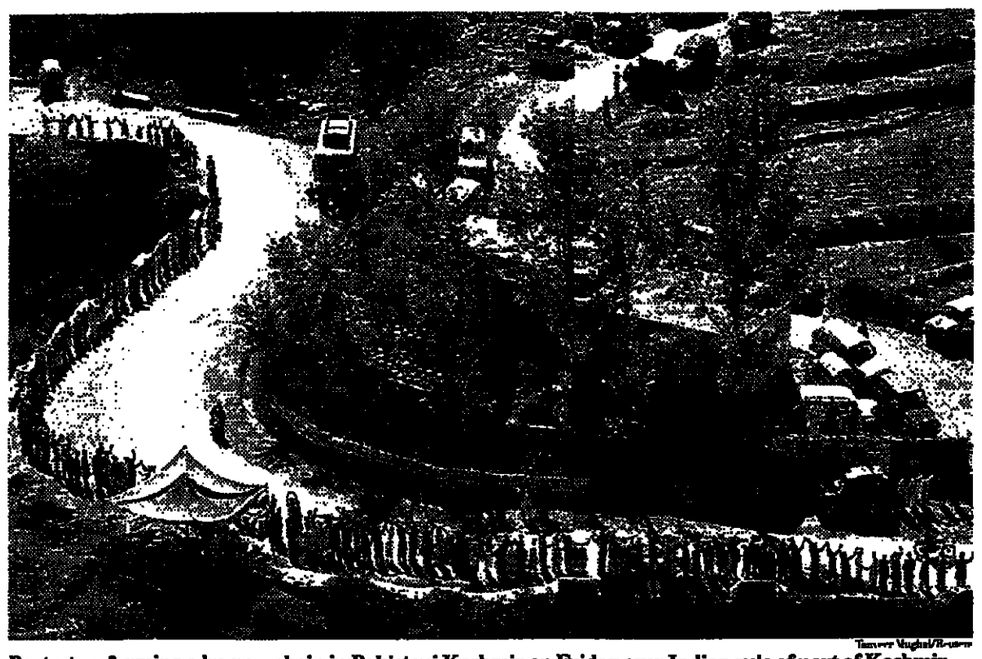
The baht has lost more than 35 percent of its value since it was knocked off its dollar-linked peg in July.

Newspaper editorials throughout the region have chided Thailand's politicians as "shameful," and several thousand protesters took to the streets of Bangkok this past week to prod Mr. Chaovalit to leave.

Even the army, still an important factor in Thai politics, has begun urging the prime minister to move quickly to save the economy.

But analysts said Friday they doubted the reshuffle would change the country's economic prospects.

"The only thing that could change the economy and market sentiment is if the new cabinet can implement the rescue package," said Therapong Vachirapong, assistant vice president of Phatra Thankit Securities, referring to the bailout. "And there, the new cabinet faces the same old problems."



Tauseef Mughal/Reuters

Protesters forming a human-chain in Pakistani Kashmir on Friday over Indian rule of part of Kashmir.

BRIEFLY

Pakistanis Join Hands in Protest

MUZAFFARABAD, Pakistan — Thousands of Pakistanis joined hands for nearly 600 kilometers along their country's border with India on Friday to protest India's rule over part of Kashmir.

The lines of slogan-chanting people stretched through the congested streets of the Punjab capital of Lahore, eastward to the border town of Wagah and north through the part of Kashmir held by Pakistan. The territory was divided after independence from Britain in 1947.

The Indian part of Kashmir is the only majority Muslim state in the predominately Hindu country. Pakistan wants Kashmiris in India to be allowed to vote on whether to stay with India or join Islamic Pakistan.

The Pakistani government fully backed the protest, with representatives from the Pakistan Muslim League, the party of Prime Minister Nawaz Sharif, and most other political groups joining in.

Firing across the border has been common. Pakistani shells smashed into an Indian village earlier this month, killing 39 people. *(AP)*

No Relief in Sight From El Nino

GENEVA — Experts of the World Meteorological Organization said Friday it was "hard to see rain patterns being normal" in Southeast Asia in the next two to three months.

As forest fires have raged out of control in the region, the area has been covered by a blanket of smog, with extensive health and economic consequences.

The unpredictable El Nino effect, resulting from a shift in water temperatures in the Pacific Ocean, has made matters worse. El Nino this year is likely to be one of the "most severe of its kind on record," said Mike Coughlan, director of the organization's world climate program.

"The general tendency is for these sort of patterns to persist for the next two or three months," Mr. Coughlan said.

"These things just don't go away overnight."

The phenomenon causes wide-ranging climatic changes worldwide and even reverses normal patterns, causing floods in some areas, droughts in others, including Southeast Asia. *(AP)*

Solomons Want a War Cleanup

BRISBANE, Australia — The Solomon Islands want the United States and Japan to clean up some of the mess they left behind after World War II battles in the Pacific.

Prime Minister Bartholomew Ulufa'alu said Friday that at least 50 battleships and aircraft carriers were rotting on the seabed near the historic battle site of Guadalcanal, harming fish, coral and other marine life.

The 1943 Allied landing at Guadalcanal was the start of an island-hopping strategy that brought a strike force to Japan's doorstep at Iwo Jima and Okinawa by 1945.

Mr. Ulufa'alu said the government raised the issue with the Japanese and U.S. governments at recent United Nations meetings.

Solomon Islands, an archipelago northeast of Australia in the Coral Sea, has a population of nearly 400,000. It gained independence from Britain in 1978 but retains the British monarch as the titular head of state. *(AP)*

Ballot in the Hand, Mind on the Terror

Mood Is Sullen as Algerians Vote

By Youssef M. Ibrahim
New York Times Service

BIN TALHA, Algeria — Twelve-year-old Fawzi Bouchmecham appeared unsure of how to react as he described watching his father die. His awkward smile sent one message, while his pleading eyes sent another.

"First they shot him here," he said, pointing to his own tiny waist. "Then they opened here with a large dagger," the child went on haltingly, drawing his hand over his skinny chest. "That's all."

But that was not all. The killers went into the house and killed 12 other people, including his sister and several other children.

Mohammed Khoujou lost a brother in the massacre in this village 25 kilometers (15 miles) south of Algiers. He, too, remains shaken a month after the killings. He said he had voted Thursday in the municipal elections being held across the nation, but added that he did not know why he bothered.

"I vote, I vote, because it is the thing to do," he said, but his mind was clearly not on the electoral process but on his anger.

"Let everyone know we shall defend our honor and our families against these animals. They are not militants. They are not Muslims. They are not even wild boars. They are worse. They should be exterminated."

The frightened child and the sullen voter are two voices from a traumatized Algeria locked into a cycle of attacks by militants and reprisals by government soldiers that have taken an estimated 60,000 lives over the last five years.

On Sept. 22, the night that left its mark on both their lives, dozens of members of the Armed Islamic Group descended on this village of 8,000, armed with bombs, hunting guns, swords and long knives.

Houses, cars and even trees were incinerated, and when the mayhem ended at dawn, at least 400 people were dead.

Massacres like this one began in 1992, when the military-led government canceled elections after Muslim fundamentalists appeared poised to win. The election on Thursday, the fourth in Algeria in two years, promised to do little to stem the terror.

[In results announced Friday, the party of the president's supporters took most seats on town councils and in provincial assemblies, Reuters reported. Several legal opposition parties protested, asserting that the results declared by the interior minister were fraudulent.

[But the outcome of the elections had been widely expected. It reflected the dominance of the National Democratic Rally in parliamentary elections in June, just two months after the party was formed by President Liamine Zeroual's main political backers.]

When Algeria held its first multiparty elections in 1992, voters in Bin Talha and in nearby Rais and Sidi Moussaall — like those in much of Algeria — gave their backing to the Islamic Salvation Front, the umbrella organization of fundamentalist groups. Their votes then reflected an impatience with decades of military rule.

Security officials concede that people in Bin Talha also gave money and logistical support to the militants, who had promised to distribute wealth more fairly than the government.

But as the killings increased markedly in cruelty and scale, especially in the last two years, the people of these three towns experienced some of the worst massacres, earning this area south of the capital the name "Triangle of Death."

The violence increased as the fundamentalist movement fractured. The Islamic Salvation Front disintegrated, reducing the Armed Islamic Group to a loose organization of roving bands that diplomats say include a substantial number of outlaws with little or no commitment to Islam.

In reaction to the killings, people began to refuse to pay taxes to the militants hiding in the mountain ranges around these towns.

Now, although villagers say they are disillusioned with the government, the massacres have shattered any enthusiasm they had for the fundamentalists.

In these villages and across the country, a fatigue of referendums also has set in.

"It is difficult to call these elections," said Samir Bouakir, national secretary for the Front of Socialist Forces, an opposition party that was expected to get about 5 percent of the vote.

"We live between two terrors: one of the armed groups and the other the violent response of the state."

It is a fact of life that every day and every night, somewhere in Algeria, there are killings, conducted openly.

And every night teenage girls are abducted. People in Bin Talha believe they are used as sex slaves and then killed.

In the neighboring village of Rais, 35 girls are missing after a massacre Aug. 28, according to several villagers.

Belcacem Sheikh, 62, a retired mechanic, said the attack in Bin Thalha had changed the village indelibly.

"Now we have formed our self-defense group. These people came in the middle of the night. They sneaked into this town. They took my 17-year-old niece. They will never be able to do that again."

Mobutu Generals Plot Coup, Congo Says

Reuters

JOHANNESBURG — Laurent Kabila's new Congo government is accusing generals from the former Mobutu regime of plotting a coup to return to power in Kinshasa, from the comfort of exile in South Africa.

A South African military official said Friday that former Zairian generals had met at a British mercenary recruitment agency near Johannesburg six days earlier to seek help in setting up a "resistance group" in Mr. Kabila's renamed Democratic Republic of Congo.

The South African said the group of five generals was led by a General Nzimbi and included one of the sons of the late president, Mobutu Sese Seko, whom Mr. Kabila deposed in May.

"This action is linked to the present regrouping of Mobutu's former soldiers and supporters of Mobutu," the official said. He said Mobutu loyalists were in northwestern Congo.

"Effective resistance in the Congo would be difficult on a wide front," the official added, "but with the help of foreign military advisers the general security situation could be seriously affected."

Emmanuel Dungia, Congo's ambassador, told South African television on Thursday that the generals were plotting a coup.

"They are preparing here in South Africa to overthrow our government," he said.

The South African deputy foreign minister, Aziz Pahad, said the presence of several of Marshal Mobutu's former generals was an issue his government had discussed several times with Kinshasa.

"We will never tolerate South African territory being used as a base for the subversion of other governments," Mr. Pahad said in a television interview.

Foreign Minister Bizima Karaha of Congo made an appeal on a visit to South Africa this year for the generals to be deported, saying they were criminals who had plundered the country's wealth.

Mr. Pahad said he was awaiting the results of an investigation into the matter, but added: "You can't deport a person simply on a request from another government. There has to be the whole extradition process."

Mr. Dungia said that the generals were running businesses with ill-gotten money and that some had been granted permanent residence in South Africa.

In Kinshasa, meanwhile, Bill Richardson, the American envoy to the United Nations, arrived on Friday for talks with Mr. Kabila on a blocked UN investigation into alleged massacres of Rwandan Hutu refugees there. Mr. Richardson, who will shuttle around Central and East Africa, said before leaving for Africa that this was a final bid to broker an agreement that would enable the team to start its work.

Mugabe Advances Plan to Seize Farms

Reuters

EDINBURGH — President Robert Mugabe of Zimbabwe said Friday that he expected negotiations with Britain "to be all finished by the end of the year" on his plan to seize white-owned commercial farms to resettle landless peasants.

Mr. Mugabe said at the Commonwealth summit meeting that he would not pay for the land, which was seized by British settlers more than 100 years ago, and he has instead urged the white farmers to approach Britain for compensation.

"The settlers did not buy this land; they forcibly acquired it," he said.

"We want 5 million hectares, which is just over half the land occupied by the farms. Everyone who has been to Zimbabwe knows these farmers have too much land."

Mr. Mugabe has in the past threatened to seize white-owned commercial farms forcibly but has so far desisted from doing so.

His government has earmarked vast tracts of property under a 1992 law that gives it the power to expropriate the land.

The government says it has only settled around 60,000 families out of an initial target of more than 152,000 because it has no money to buy land.

John Whitney Hall, Historian Of Pre-Modern Japan, Dies

By Janny Scott
New York Times Service

John Whitney Hall, 81, a pioneer in the field of Japanese studies and one of the most respected historians of Japan of his generation, died Tuesday at his home in Tucson, Arizona, of Parkinson's disease, his wife Robin said.

An authority on pre-modern Japan, Mr. Hall helped transform the way Western scholars viewed the period immediately preceding Japan's modernization as well as the thousand years before that.

He also was something of an academic entrepreneur, building up the fledgling field of Japanese studies in the years after World War II and serving as a bridge between historians in Japan and those in the West.

As a professor at the University of Michigan and later at Yale University, he trained many of the top scholars in Japanese history now working in academic programs across the country that Mr. Hall helped make possible.

"What I think guys like Hall tried to do was de-exoticize the study of Japan," said Harry Harootunian, a professor of history and director of East Asian studies at New York University and a former student of Mr. Hall.

The only son of two Congregational missionaries, Mr. Hall was born in Kyoto in 1916 and lived in Japan until he was a teenager. He then attended Phillips Andover Academy and Amherst College, where he majored in American studies.

Mr. Hall was awarded the Order of the Sacred Treasure, one of Japan's highest decorations.

Bert Haanstra, Film Maker Who Won Oscar, Dies at 81

AMSTERDAM, Netherlands (AP) — Bert Haanstra, 81, the first Dutch film director to win an Oscar, died Thursday after a long illness, Dutch media reported Friday.

His affectionate and amusing documentaries and feature films about post-World War II Dutch society won him critical acclaim around the world, including the 1960 Academy Award for best short film for his 10-minute documentary "Glas."

He also won a prestigious Grand Prix award at the Cannes film festival for his 1950 work "Spiegel van Holland" (Mirror of Holland).

SOUND LOGIC By Will Shortz

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21 See 60-Across
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23 Start of a verse
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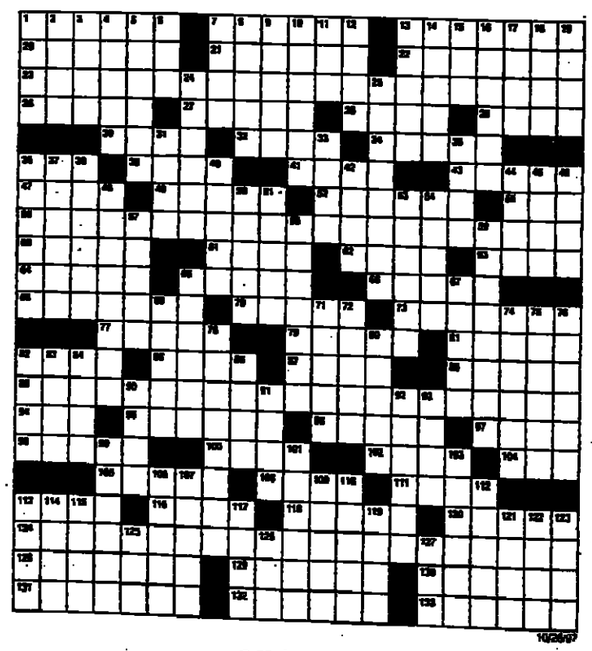
27 Missouri feeder
28 Salt, perhaps
29 Faxed
30 Land in Genesis
32 European fruit tree
34 Leases
36 River inlet
39 Jack in oaters
41 Agt. such as Ness
43 B.C. Judean king
47 Part of A.D.
49 Sounding startled
52 Power problem
55 Old record label
56 Part 2 of the verse
60 With 21-Across, an 1861 literary hero
61 Kind of sax
62 Route
63 "—— it Romantic?"
64 Changes a Life sentence?
65 B. A. Baracus's group
66 Tag
68 Suddenly shrinks
70 Costa del Sol section
73 Launch of 7/10/62
77 Ferber's "Giant" rancher
79 Caravan maker
81 Basso Tajo
82 Yours, in Yonne
85 Mrs. David Copperfield
87 Month after Nisan
88 What optimists have
89 Part 3 of the verse
94 Afore
95 It's often underfoot
96 Stopped lying
97 Art Deco notable
98 Mythical queen of Thebes
100 Dickens girl
102 Medicare-eligible, maybe
104 Draft org.
105 Neighbor of 26-Across
108 Kissers
111 Burden of proof
113 Stand in ceremony?
116 Verdant
118 Head lock
120 Clearing
124 End of the verse
128 Kind of counter
129 Dogear mark
130 Custodians, colloquially
131 Custody
132 Impaired
133 Neverending, once

DOWN
1 ——plié (ballet movement)
2 Actor-songwriter Novello
3 Start of a cheer
4 Kristen on "Ryan's Hope"
5 Mock
6 Goof
7 Lowell and Tan
8 Mahayana monks
9 Ragú rival
10 Book extra
11 Fresh
12 Lassie creator Knight
13 Slalom champ Phil
14 Cinereous
15 Cpl., e.g.
16 —— Point, Mich.
17 In play
18 Bachelier's "—— Holden"
19 Spanish muralist
24 Expression of respect
25 Coward
31 King Harald's predecessor
33 Student body pres., e.g.
35 Lt. Kojak
36 Grower
37 Private
38 Like some of the early English
40 Peter Weiss drama "——/Sade"
42 "The Clan of the Cave Bear" author
44 Rotations, in garages
45 Awaited sign
46 Tabloid talk
48 Handel's "Messiah," e.g.
50 Drag
51 Attar source
53 Related on the father's side
54 Diving bird
57 Actor Davis
58 Wandering
59 Old-fashioned cooker
65 Famed furrier's family
67 Name meaning "My God is he"
69 Burdened
71 Shows wild instability
72 "Battlestar Galactica" commander
74 Some church lighting
75 Advisories
76 Media executive Steven and others
78 Incendiary sinner
80 Actress Scacchi
82 Yemeni capital
83 Geometric solids
84 Muffin topper
86 Equipped
90 One in a heat
91 Like elvers
92 1931 Dracula portrayer
93 Receptive
99 Miter wearer
101 Suit
103 Waiting place in a park
106 Sergeant York
107 "The Caine Mutiny" captain
109 Father of Paris
110 Brains
112 Incline
113 Gumshoe
114 Avis pair
115 Latin pronoun
117 High: Ger.
119 Variety listing
121 Say it's so
122 "After Dark, My Sweet" actor, 1990
123 Highland tongue
125 Christina's father
126 Singsong syllable
127 Literary units.



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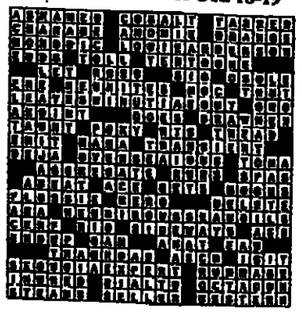
Solution to Puzzle of Oct. 18-19



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Move to End Whaling Deadlock

Reuters

MONACO — The International Whaling Commission gave Ireland its approval Friday to draft a plan to break years of deadlock between whalers and their opponents in the organization.

The commission's member states underscored their guarded support for an initiative by Michael Canny, the Irish Whaling Commissioner and the international body's deputy chairman, by electing him chairman at the annual meeting.

Mr. Canny's proposal would lift a 1982 moratorium on commercial whaling, but limit the hunting to coastal areas, and only for local consumption or aboriginal subsistence needs. It would also ban whaling on the high seas, which is hard to monitor, and the killing of whales for research.

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STOCKS: *Is Hong Kong's Rebound Real?*

Continued from Page 1

rate of 12 percent over the next six months, up from 9.5 percent currently.

The question facing policymakers in Hong Kong and on the mainland is: If the currency turmoil continues, how long will Hong Kong's richest and most influential citizens be willing to stand such punishing high rates before some rebel, and break the nearly total solidarity in support of the currency peg?

There is a lot at stake for some of the world's richest people. In Thursday's 10.4 percent market plunge, according to newspaper reports:

- The Tycoon Li Ka-shing lost $775 million.
- The three Kwok brothers who control the giant property developer Sun Hung Kai lost $982 million.
- The property baron Lee Shau-kee, named by Forbes magazine in July as the world's ninth-richest man, fell to 35th place in just six hours of trading.

Michael Taylor, an economist at Indosuez WI Carr, said the main difference between the way China views Hong Kong and the way Britain did was that Britain's main concern was the stability of the property market.

Now, analysts say property prices could drop by as much as 30 percent because of the increase in interest rates.

China's top priority, Mr. Taylor said, "is for Hong Kong to act as the international financial capital center for China, and for this they need a plausible and convertible currency."

"If to get this you have to do it over the dead body of the property sector, then if you're Zhu Rongji, you're willing to pay the price," he said. Mr. Zhu is China's deputy prime minister in charge of economic policy.

But what if someone, such as Mr. Li, objects to further millions of dollars of his wealth being wiped out?

"China has got plenty of ways to reward Li Ka-shing 10 years down the road," Mr. Taylor said.

The ordinary people of Hong Kong have a lot to gain from China's tough defense of the currency. Although they are unrestrained by capital controls, depositors have been keeping nearly 60 percent of their cash holdings in local currency.

So far, there has been no run on the banks here in reaction to speculative attacks on the Hong Kong dollar, but any major reaction may be delayed because the majority of local currency rests in time deposits, and some banks on Thursday canceled the policy of allowing early withdrawals upon payment of a penalty.

In the meantime, with interest rates for deposits having risen, too, "the banks we're talking to tell us that there is a change taking place" out of call accounts and into Hong Kong dollar time deposits, said Clive McDonnel, economist at SocGen-Crosby Securities.

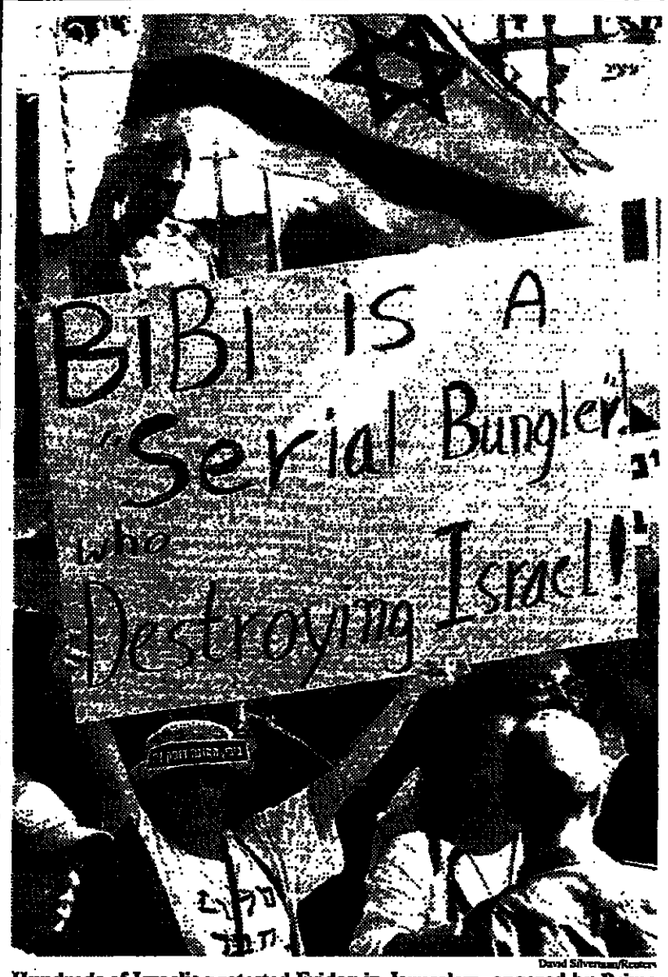
Those figures will not be confirmed until official deposit figures are released by the government at the end of the month.

■ Can Recovery Come Quickly?

Whether Asia experiences the V-shaped decline and recovery that investors saw in Mexico two years ago, or a longer, drawn-out recovery like that experienced in Japan in recent years, depends on who steps forward to help the Asian countries and how willing the troubled countries are to make often-painful economic adjustments, The New York Times reported, quoting economists.

Not all Asian markets fell apart Thursday, and some managers foresee that the long-lasting effect of the currency problems there will be to make products from Asian countries more competitive.

Stock prices rose in Taiwan, for example, and one big industry there — makers of semiconductor manufacturing equipment — could find that Asian currency declines have made their products more attractively priced relative to those of American and Japanese competitors.



David Silverman/Reuters

Hundreds of Israelis protested Friday in Jerusalem, angered by Prime Minister Benjamin Netanyahu's comment to a leading rabbi, which was picked up by an open microphone, that leftist Jews were not good Jews.

YASSIN: *Hamas Firebrand Tastes Freedom*

Continued from Page 1

years. "Ho, ho, ho, a very good question," he said. "In prison, I was comfortable and at peace, reading, memorizing the Koran. It was a very spiritual life, praying and worshipping God without any disturbances, and reading any book I wanted to. Now I have no time to pray. I make a great effort every day. I sit 12 hours like this, until my feet become swollen. Yes, you can say I miss it, even though I was there unjustly."

Sheikh Yassin was released from prison on Oct. 1 in exchange for two Israeli agents who were caught in Jordan trying to assassinate a Hamas official. Since his return to Gaza, the sheikh's ambivalent combination of strident calls for "holy war" and conciliatory signals to Mr. Arafat and even to Israel have so far given no clear indication of his intentions.

'The Israelis are choking the Palestinian people. This is slow murder.'

The sheikh said early this month that Hamas was prepared to call a truce if Israel withdrew from the West Bank and removed settlements there, and he said that "Islam allows a truce but not a permanent reconciliation."

Though the conditions were completely unacceptable to Israel, the talk of a truce, and the signals to Mr. Arafat, have raised hopes that Sheikh Yassin might put his weight behind leaders of Hamas who are believed to prefer a working relationship with the Palestinian Authority to a conflict in which Hamas's elaborate social network would be destroyed.

In Gaza, many of Sheikh Yassin's militant anti-Israeli statements, including a defense of suicide bombings ("martyr operations" in the parlance of Hamas) as self-defense against Israeli "aggression," are viewed as the boilerplate of his movement. What he has made clear, through his audiences and appearances, is that despite his frailty, he has no intention of being relegated to the role of a revered icon, and that if his health holds, he could prove a formidable and cagey political force.

That has focused the sharpest attention among Palestinians, at least, on the sheikh's cautious maneuvering with the Palestinian Authority. It is there that Sheikh Yassin could do the greatest damage, if he openly challenged Mr. Arafat, and there that he could play a moderating role by allowing Mr. Arafat to negotiate with Israel without opposition from Hamas, and above all without further suicide bombings.

In the interview, Sheikh Yassin declared that he had not altered his categorical rejection of the Oslo agreements that Mr. Arafat signed, and that he was demanding the release of Hamas prisoners held by the Authority. But he also disclosed a keen appreciation of Mr. Arafat's dependence on Hamas, not only for internal support, but also as a potential card to play against Israel.

"The presence of Hamas is a pressure card in the hands of the Palestinian Authority against Israel," he said. "What else does the Authority have? What other paper does the Palestinian Authority hold to put pressure on Israel to get any concessions?

"The Palestinian Authority lost all the cards and has not found any new ones, and now the Authority is unable to achieve any progress. The presence of Hamas is a card in the Authority's hand. Hamas as a pressure card is not against the Authority, but with it. I pray to God they understand this."

RISK: *As the Financial Quake in Asia Rattles Tea Cups in the West, a Maxim of Shared Prosperity Will Be Tested*

Continued from Page 1

But in Asia there is no such simplicity. Thailand suffers from a banking system built on a house of cards and a property market gone wild; Malaysia from trade and investment deficits; Indonesia from corruption and dubious accounting.

And none of the quick fixes and austerity measures attempted over a long, hot summer of currency runs has succeeded in re-establishing confidence.

Now the turbulence has hit Hong Kong, the well-regulated, British-designed center of commerce that the rest of Asia had been told to emulate.

It is Hong Kong's crisis that has alarmed the Clinton administration as it finds itself struggling to douse the few flames that jumped the Pacific on Thursday, sending Wall Street stocks down more than 2 percent, and that drove declines in many European markets of 3 percent or more. But U.S. officials seemed to decide that anything they might say would only make a bad situation worse.

Nonetheless, these officials are trying to think through a range of short- and long-term implications of the Asian markets' plunge.

The most obvious is the effect on exports. The first casualties of the Asian crisis were the scores of canceled or delayed major public works projects, from dams and bridges in Indonesia to a desperately needed light-rail project in Bangkok to many elements of Prime Minister Mahathir bin Mohamad's ambitious plan to turn Malaysia into the Silicon Valley of Southeast Asia.

U.S. technology underlies many of those projects, and over the next few months, major companies could be scaling back their profit estimates as some major sales linked to these projects evaporate. That alone would not be so worrisome. But with Japan still in recession and Europe crawling its way out of double-digit unemployment, those projects were among the hottest prospects in the world's economy.

Perhaps the bigger political risk in Washington is that the U.S. trade deficit with Asian countries is almost certain to rise sharply. Not only are Asian consumers becoming more frugal, but the currency devaluations in the region are making Asian goods a lot cheaper. That is bound to cause a revival of trade-related political tensions in America, especially if the widening trade gap is combined with a slowing U.S. economy.

Thus, the biggest probable impact of Asia's problems on the United States seems to be the political one. Underlying the Clinton administration's drive to increase economic engagement with Asia was a sense that U.S. influence through the region had been in decline. Washington's reaction so far has done nothing to reverse that view.

"There were a lot of Asians wondering why the Americans sat out during the emergency package for Thailand," said Fred Bergsten, president of the Institute for International Economics in Washington and a central figure in the first meetings that brought together heads of state from the nations that make up the Asia Pacific Economic Cooperation forum, or APEC. "In their view, it is another test of Washington's commitment."

Thursday, the U.S. representative to APEC, John Wolf, seemingly took note of Asians' ambivalent feelings when he told reporters: "Some are saying the United States and developed countries actually welcome the financial crisis now happening. Nothing could be more wrong."

But whether they are suspicious of the U.S. reaction or not, Asians are bound to be more cautious about opening their markets.

Many leaders in the region say it was the moves they had already made toward openness, and the pressures to allow in even more foreign competition, that increased the volatility of their currencies.

While few subscribe to Mr. Mahathir's assertions about a conspiracy of Jews or evil currency speculators, many say they share his suspicion that the West is perfectly happy to see the Asians, tigers and others, declawed.

SUMMIT: *Appeal by Clinton*

Continued from Page 1

pathy with many of these critics. But after accusing President George Bush in the 1992 campaign of "coddling" Beijing, he reversed course after discovering that the Chinese did not respond to confrontational tactics. While Mr. Clinton's policy has strong support among big business and elite foreign-policy circles, administration officials say he must now make the same case to a broader public.

If he does not succeed, officials said, a summit meeting that Mr. Clinton hopes will officially end the eight-year chill in relations that began after the massacre of student opposition forces near Tiananmen Square could end up instead increasing the suspicion many Americans hold toward a nation that contains one-quarter of Earth's population.

Mr. Clinton's goal in the meeting, according to the White House national security adviser, Samuel Berger, is a "better sense among the American people as to why engagement with China is a pragmatic way of proceeding."

"It doesn't mean we embrace China, doesn't mean that we agree with everything that they do — in fact, to the contrary," Mr. Berger said. "But we cannot isolate China; we can only isolate ourselves from China."

In briefings this past week, administration officials stressed, and independent analysts largely agreed, that the fact the state visit is taking place may be more important than any substantive agreements that emerge from it.

Mr. Clinton and Mr. Jiang will meet once in a working session for only 90 minutes. Despite the White House effort to lower expectations, administration officials are in the midst of frenetic, last-minute negotiations in Beijing to assure that some concrete gains emerge. The most likely prospect, U.S. officials said, is a pledge by Beijing to limit exports of nuclear equipment and technology to states such as Iran, enabling Mr. Clinton to authorize sales of U.S.-made nuclear reactors to China.

Also in the works is an agreement to expand U.S.-China military cooperation.

The Chinese have refused a U.S. proposal for joint field exercises, officials said, but seem close to accepting a plan for smaller-scale cooperation, such as "table-top" war games not involving actual troops or equipment.

But administration officials this week have said they did not expect any gains on human rights, although they remained hopeful that Mr. Jiang would order the release of prominent dissidents. While they once hoped to make some incremental gains in negotiations for China's accession to the World Trade Organization, the issue is now mostly off the table.

"It's agonizing dealing with these people," said one administration official, frustrated by the glacial pace of presummit negotiations with Beijing.

Although Mr. Clinton hopes to develop a personal bond with Mr. Jiang, the White House is more concerned about how the Chinese leader reveals himself in public than in his private sessions with Mr. Clinton. Mr. Jiang's visit has prompted criticism of China from right and left.

In Congress, there are more than four dozen pieces of legislation that would denounce China or impose sanctions.

And when Mr. Clinton and Mr. Jiang meet on Wednesday, there will be human-rights protesters gathered on Lafayette Square. Similar protests are expected at virtually every stop he makes. White House officials are hoping Mr. Jiang will not encourage protesters with an impolitic statement at a joint news conference with Mr. Clinton or at other appearances.

But some aides said they were not encouraged by a briefing given Wednesday by the Chinese Embassy spokesman, Yu Shuning. Asked about China's repression of Tibet and political dissenters, Mr. Yu said crisply that these were "internal matters."

MUSEUM: *Closing the Books on a Shrine*

Continued from Page 1

healthy man," he says, describing how the reference books he consulted convinced him that he was suffering, for a start, from cholera, diphtheria, St. Vitus's Dance and typhoid. "I crawled out a decrepit wreck."

The Round Reading Room was built in 1857 when space in the existing library looked sure to run out.

Sir Anthony Panizzi, the library's Keeper of Printed Books, and Sydney Smirke, the British Museum's architect, decided to solve the problem by building a soaring dome, 160 feet (49 meters) high at the apex, over the museum's central courtyard, at a final cost of $240,000.

The dome is supported by 20 cast-iron girders enclosed in concrete; the girders are traced in gold leaf on the sky-blue ceiling.

As much as the architecture, it is the readers — the 60,000 or so people who possess the coveted passes to the Round Reading Room and the library's other reading rooms across London — who give the room its well-worn and rather thrilling character, making regulars feel as though they are part of a community that is greater than themselves.

Passes are hard to come by and jealously held. Readers must prove that they are working on legitimate research projects and that they cannot get the materials they need anywhere else.

"Everyone is so sad at its closing," said Helene Roberts, the former curator of visual collections at the Fogg Museum in Boston, who was visiting the library.

Like many longtime readers, Ms. Roberts has mixed feelings about the new library, a huge red-brick structure near St. Pancras Station. The new library, which is to open next month, 10 years late and wildly over budget, has already met its fair share of disapproval — Prince Charles, no lover of modern architecture, called it a "dim collection of brick sheds groping for significance" — and Ms. Roberts worries that it will not begin to replicate the musty appeal of the current spot.

"I realize the necessity of getting new locations and new stack areas, but there's something sad and nostalgic about all this," she said.

Many library officials are thrilled with the new building, in which the current card catalogue — a series of heavy, dusty volumes in which pasted-in slips of paper give details of each book — will be replaced by a computerized system.

It will have electricity outlets at each desk, for people to plug in their computers, and telephone jacks. The library plans to connect to the Internet.

Instead of the old pneumatic-tube system, books will be retrieved using an automatic system run by computer.

"The new humanities reading room, which soars up two stories, is inspirational, too," said Mike Crump, director of the reader services and collection development for the library. "And as a provider of services, it's fabulous."

For many longtime readers, and longtime employees, the last week has been a time for reminiscence.

Even as the shelves are being stripped of the 12 million books the library holds, readers who have not visited in years have been flocking to see the reading room one last time, sharing stories of the old days.

Mr. Bradbury, the critic and novelist, began working in the reading room in the 1950s, when he was researching T.S. Eliot. Mr. Eliot himself sponsored his application. "That was rather grand," Mr. Bradbury said proudly in an interview.

Soon, he began exchanging books in a not-so-innocent way with a youthful journalist named Jean Rook (their relationship ended when she got a job on a newspaper and he got a Fulbright grant).

Mr. Drolet, the professor, described in an interview how the reading room was a kind of subculture, with its own bizarrely dressed eccentrics in strange dress who did things like shave and chase interlopers away from their desks.

One would-be Lothario, inspired by the room's reputation as an academic singles bar, constantly tried his pick-up lines on new researchers, preferably young and Italian ones.

"He would say, 'Can I show you how to use the catalogue?' " Mr. Drolet said. And Scott Lewis, who has been using the library to edit the letters of Robert and Elizabeth Barrett Browning for the last 11 years (14 volumes completed; 26 to go), described how, feeling wistful on Thursday evening, he stayed at the library until it closed at 9 P.M.

"I made a point of staying until the very end," he said, rather sadly. "In its nightclothes, it was really beautiful."

Agence France-Presse

TROPHIES — Reindeer antlers piling up Friday as the hunting season ended on Siberia's Taimyr Peninsula.

HOUSTON: *A Bit Chastened, It Declares Victory Over the Debacle of the '80s Oil Bust*

Continued from Page 1

helped by the generally buoyant national economy, which has created jobs, increased tax revenue and created budget surpluses across the country.

But much as Southern California began to prosper again by ending its reliance on defense-related industries, Houston's revival has been accomplished by expanding beyond, while not abandoning, the oil business that had given it its rough-and-tumble, Wild West character. It also embraced a philosophy seldom associated with this city's financial doings: careful and a little conservative.

Until the oil crisis, Houston had never really been down. It was begun with business in mind when, in 1836, Augustus and John Allen ran a newspaper advertisement offering lots in the "town of Houston" — destined, they were certain, to become the "great interior commercial emporium of Texas." It did become a major cotton and lumber market, with merchants quickly congregating to ship cotton to New York and supplies to the Texas countryside.

But it was the discovery of oil in 1901 at Spindletop, the legendary gusher near Beaumont, that shaped the modern Houston. By the 1920s, 40 oil companies were doing business in the city. After that, except for a blip during the energy crisis of 1973, the good times rolled, peaking in the late 1970s.

Houston today has an economy the size of Hong Kong in a metropolitan area the size of Massachusetts. Five hundred thousand new jobs, or double the number that vanished during the oil crisis, have been created in little more than a decade.

About 53,000 new businesses started up last year, more than in any other city except Los Angeles, according to the Greater Houston Partnership, which includes the Chamber of Commerce. And the number of millionaires, that handy symbol of wealth, has doubled here in the last two years to 81,141 households.

Jim Kollaer, president of the partnership, attributes the rapid comeback to several factors. Costs were dirt-cheap here after the bust, making Houston an attractive place to locate a business; it is still among the least expensive of major American cities. The oil industry, forced to pare down, became more efficient, increasing productivity by 25 percent, and Houston still reigns as the world's energy capital (although oil, selling at about $22 a barrel now, makes up 62 percent of the economy rather than the 82 percent of 1982).

At the same time, other long-term staples, the medical and aerospace industries, have flourished, the computer business has come on strong and the city has come into its own as an international trade center.

Its port is the nation's second largest in foreign tonnage, and one of three jobs is now tied to international business. Home to 100 nationalities, Houston is ethnically diverse — 27 percent Hispanic, 27 percent black, 4 percent Asian and other, and the remainder, white. But, unlike Dallas, it has so far managed to evolve without much racial strife.

Mayor Bob Lanier, in office for six years, is credited by many here with creating a business-friendly environment and treating the city as if it were one of his real-estate developments.

That means he has paid close attention to what he calls "infrastructure," methodically cleaning up and refurbishing 85 neighborhoods and a third of the city's parks, repaving 615 miles of road a year and adhering to a policy that every pothole in the city must be repaired and every bit of graffiti erased within 48 hours.

In the once-seedy downtown area alone, $1 billion worth of construction is under way, involving a mix of private and public funds, on a new performing arts center, a hotel and convention center, a ballpark and a county jail.

During Mr. Lanier's tenure, 1,300 new police officers have been hired, and major crime has gone down, with the murder rate cut in half.

Is it all too good to be true? Probably not, many economists say. Unlike previous oil-dominated times, when Houston and Texas did well but the national economy suffered, or vice versa, all three are now pretty much in sync.

But to survive, Texas and Houston had to do something many here lament: become more like the rest of the country.

Kennedy Jr. in Cuba In a Historic Week

Reuters

HAVANA — John F. Kennedy Jr. was visiting Cuba on Friday on a private trip that coincided with the 35th anniversary of the Cuban missile crisis, a dramatic period in his father's presidency.

Sources at a hotel in Havana said that Mr. Kennedy was staying there but declined to give details of his visit.

He left the hotel by a back entrance Friday, apparently wanting to avoid foreign journalists waiting at the front entrance, the sources said.

There was speculation in Havana that Mr. Kennedy, editor of the political magazine George, was in Cuba to seek an interview with President Fidel Castro.

Thirty-five years ago this week, the world feared nuclear war as the Cold War flared over the deployment of Soviet nuclear missiles in Cuba.

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Jiang's Chance

As Jiang Zemin travels across the United States this coming week, he cannot expect the enthusiastic reception that greeted the last Chinese leader to make such a public passage through America. When Deng Xiaoping barnstormed through Washington, Houston, Atlanta and Seattle in early 1979, it was just months after Washington had established full diplomatic relations with Beijing for the first time since 1949, and the mood was one of *almost euphoric curiosity. Mr. Deng's* easy spontaneity, identification with market reform and pithy comments charmed American audiences.

But Beijing's 1989 military assault on democracy demonstrators in Tiananmen Square reopened American eyes to the dark side of Chinese Communist rule. Memories of Tiananmen and Beijing's continued suppression of political dissent guarantee that Mr. Jiang will face more critical scrutiny, as he should. But the near-certainty of human rights protests when he visits Washington, Philadelphia's Independence Hall, Harvard University, New York and Los Angeles does not preclude a useful visit.

If Mr. Jiang achieves the kind of rapport with President Bill Clinton that has so far eluded him, makes commitments to end China's nuclear and missile cooperation with Iran and leaves with a better understanding of how strongly Americans feel about human rights and religious freedom, the summit meeting will have achieved a minimal success.

Mr. Clinton should also try to reassure Mr. Jiang that recent moves by Washington and Japan to strengthen their security ties are not aimed at China. Completing a new agreement on closer coordination between U.S. and Chinese naval forces in the Western Pacific could reinforce this point. Mr. Clinton should urge Beijing to avoid threats of force against Taiwan.

The two men will have a chance to narrow their differences over terms for China's entry into the World Trade Organization. Washington rightly insists on lower Chinese tariffs, while Beijing wants protection for inefficient state industries it has already announced plans to sell off.

Mr. Jiang is unaccustomed to a contentious environment. His public persona *is stiff and formal, in contrast to* the unpredictable and sometimes earthy Mr. Deng. Mr. Deng was a first-generation revolutionary fighter who spoke his mind in the thick regional accent of his native Sichuan. Mr. Jiang, who was 23 years old when Mao marched into Beijing, was trained in the technical and administrative skills needed by the new regime.

During the 1980s he was a cautious reformer as mayor and Communist Party leader in Shanghai. In June 1989 he turned sharply against pro-democracy demonstrations and publications there, but without bloodshed. Mr. Deng and other senior leaders then summoned him to Beijing to become Communist Party leader and preside over a relentless crackdown on advocates of greater democracy. He succeeded so thoroughly that the U.S. State Department this year concluded that open dissent in China has been crushed.

Now, after consolidating his rule at last month's Communist Party congress, Mr. Jiang has a chance to make policy decisions without nervously glancing over his shoulders. He would be smart to use this trip, which will be closely watched back home, to show off his ability to work constructively with the United States on international issues and to lead China into a new era of reform.

—THE NEW YORK TIMES.

Tackling Climate Change

With 4 percent of the world's population, the United States produces more than a quarter of the greenhouse gases that threaten to disrupt the globe's climate in coming decades. If the United States does nothing to change the pattern of energy use that produces those gases, no other country is likely to *take steps, either. And if no one alters* the rising trajectory of greenhouse-gas emissions, the consequences — global warming, coastal flooding, more intense storms — could be disastrous.

That, in brief, is the logic behind the proposal President Bill Clinton put forward Wednesday to reduce U.S. greenhouse-gas emissions. His proposal arouses skepticism in important respects and leaves many big questions unanswered. It was immediately attacked by some environmentalists, who said it does not go far enough, and by some industrialists and Republican leaders, who said it would have dire economic consequences. In fact, it represents a fair start on what is certain to be a long-term and complex challenge.

The legitimate skepticism arises in the first instance from a promise Mr. Clinton made in a 1993 plan — that the United States would get its greenhouse-gas emissions down to 1990 levels, despite a decade of economic growth, by the year 2000. In fact, the latest projections suggest that U.S. emissions will be about 13 percent above that target; they surged by 3.4 percent last year alone, thanks to cheap fuel and relatively rapid economic growth. Now Mr. Clinton proposes to *get the United States back to that* 1990 level by sometime between 2008 and 2012, with further reductions to follow. Moreover, he proposes to do so by relying initially on voluntary measures of the sort that proved inadequate during this decade, and on tax cuts and federal research grants of the sort that Congress has thus far been reluctant to support.

What's new, though, is his proposal that reductions would become mandatory beginning in the year 2008 — and that industries would receive credit then for any efficiencies they achieve in the meantime, beginning now. In 2008, in *other words, companies would be lim*ited in how much greenhouse gas they could emit. Those too inefficient to meet the targets would have to buy "emission rights" from the virtuous ones who could produce their widgets while polluting less than allowed. This kind of trading system, which has proven successful in controlling acid rain, would create a powerful market incentive to reward innovation and efficiency. If industry is sure the system will go into effect in 2008 — a big if — it will want to begin making changes now.

Wednesday's announcement emerged out of a typically tortuous Clinton White House process, with much of the content uncertain until the last minute. But forming the proposal was the easy part; now Mr. Clinton has to sell it to two diametrically opposed audiences. In Kyoto in December, the world's nations will gather to try to hammer out a climate-change treaty. Europe and Japan will argue for more drastic reductions than Mr. Clinton has proposed, and developing nations will resist his demand that they, too, assume some obligations for greenhouse-gas reduction. If a treaty nonetheless emerges from that negotiation, he will then have to sell it to a Congress that is, *in large part, skeptical about the sci*ence of climate change and unwilling for the United States to pay any price at all to avert disaster. So this is only the beginning. But insofar as it represents a serious commitment to deal with climate change, it's an important step.

— THE WASHINGTON POST.

Other Comment

The Problem for Mahathir

Prime Minister Mahathir bin Mohamad has a problem, and it has little to *do with the Jews. Around Kuala Lum*pur one might find badges stating, "Mahathir, continue to be the leader of the Third World." But the danger today is precisely this: That investors will conclude that the Third World is just where Malaysia belongs.

The thought is prompted by Malaysia's just-released budget for 1998, which comes on the heels of currency speculation that has lopped about 25 percent off the value of the Malaysian ringgit and the stock market and Mr. Mahathir's suggestion that there might *be a Jewish connection here. A nig*gling 2-percentage-point cut in corporate taxes, a handful of new incentives for export industries, new levies on foreign travel and the postponement of a few large infrastructure projects does not suggest a nation coming to grips with its problems.

— Far Eastern Economic Review (Hong Kong).

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To Help China, Clinton Must Mince No Words

By Jim Hoagland

WASHINGTON — Conventional wisdom holds that success or failure in this coming week's U.S.-China summit meeting rides on concessions that President Bill Clinton can obtain from the Chinese leader Jiang Zemin. So the White House is slavishly dressing up two or three hillocks the two men will climb to look like mountains.

But the measurement and goals the White House have adopted are mistaken. It is what Mr. Clinton will give Mr. Jiang that counts most for China's future.

If the president limits himself to offering Mr. Jiang Boeings and sympathy in return for concessions Beijing can *easily reverse later, he will set back the* chances for democracy and stability in the world's most populous nation.

Mr. Jiang signaled in an interview published in The Washington Post *(IHT, Oct. 20)* that he will make this argument to Mr. Clinton: The Tiananmen Square massacre of pro-democracy demonstrators in 1989 was necessary for China to achieve its impressive economic growth in the 1990s. If you enjoy eating the fruit of that growth, Mr. Jiang says, you must accept the irrigation of the tree by blood.

"The Chinese government took resolute measures ... to ensure that China enjoys stability and see that our reform and opening up proceed smoothly," Mr. Jiang told Post interviewers who delicately asked him about "the 1989 incident," without further identification.

But Mr. Jiang's argument is demonstrably false. The demonstrators were in the square denouncing an excess of corruption and a shortage of political freedom in China. They were right by any measure: The economy would have been stronger with less corruption and more openness during this decade. And Beijing would not have endured the economic sanctions the unnecessary bloodshed provoked.

There was a peaceful alternative in June 1989. The Chinese leadership was begged to take it by Zhao Ziyang, the former premier and party chairman, whose vision and skills make him more responsible for China's post-Mao economic resurgence than any other single individual.

But the others in the leadership feared for their own power and privileges. They put Mr. Zhao, their best political economist and best-known figure to Western investors, under house arrest and killed hundreds of the demonstrators.

Tiananmen was about power, not about economic reform and opening up to the outside world.

In China, Tiananmen is not a distant, bygone "incident." It is still a central event that requires Mr. Jiang and his Politburo to lie about China's past and future to stay in power. It requires them to keep Mr. Zhao under arrest without charges even today. Organized lying, as George Orwell wrote, is the very nature of totalitarianism.

For a variety of political, commercial and historical motives, Mr. Clinton this coming week will break the hiatus imposed by Tiananmen on U.S.-Chinese summit meetings. He must convincingly explain why he has chosen this moment to do so, to Mr. Jiang as well as to the American people.

At a White House briefing last week, I asked Sandy Berger, Mr. Clinton's point man on China and his national security adviser, if the president would raise Tiananmen with Mr. Jiang. Mr. Berger would not commit to his boss's doing that, and he refused to say if he had raised the subject himself with Mr. Jiang in a preparatory meeting this summer. I believe he did not.

Mr. Berger revealed the mind-set of the White House by relegating Tiananmen to history: "We cannot forget Tiananmen, but we cannot be frozen in 1989," he responded, citing "the Turkish massacres in Armenia" and "lots of other horrible events" of the past "that cannot be completely defining" for current U.S. policy. Tiananmen, he added, is "not a reason not to have this meeting."

We can all agree on that last point. A summit meeting that sees Mr. Clinton dealing forthrightly with America's continuing distrust of China's blood-stained leadership — and rejecting Mr. Jiang's spurious linkage between political slaughter and economic reform — is worth having.

But don't bet on it. Mr. Berger used the briefing to point the assembled journalists toward hailing a new and dubious set of Chinese promises not to export missile technology as breakthrough material when it is unveiled at the summit.

He also hinted broadly that Mr. Clinton will soon be basking *in the release* of one or more major political dissidents. Diplomatic sources tell me Wei Jingsheng and Wang Dan have requested medical release from prison and China will agree, as Foreign Minister Qian Qichen suggested to Secretary of State Madeleine Albright in New York in September.

Mr. Wei and Mr. Wang are heroic figures, dedicated to truth-telling.

Their release will be wonderful news, even though they may face quick rearrest. But it will not relieve Mr. Clinton from his obligation of telling truth to Chinese power.

The Washington Post.

It's Time to Quit Helping Beijing Avoid Economic Reality

By Gregory Fossedal

ARLINGTON, Virginia — Thailand, Malaysia, the Philippines, Indonesia — all these strong economies suffered significant currency devaluations and bear markets in the last six months.

With the collapse of Hong Kong's stock market Thursday, have the last economic dominoes fallen in Asia? Maybe not. In fact, what might be the biggest devaluation domino of all — China — has managed to forestall the consequences for reasons that are partly economic, and partly political.

It has been four years since the Chinese currency was last adjusted against the dollar. Yet, purchasing power of the yuan is down significantly. Since 1993, producer prices have risen more than 50 percent, consumer prices have doubled and real wages, adjusted for productivity, are up about 45 percent since 1993. That means China's currency should have fallen.

At the same time, its exports are gradually becoming less competitive as the goods of its Asian neighbors become cheaper. The government has responded by restricting imports, delaying payment of workers' wages and using bookkeeping chicanery.

One measure of official Chinese corruption is the "statistical discrepancy" of as much as 3 percent of GDP, according to a conservative estimate by the International Monetary Fund. These factors can delay a reckoning, but they can't do so forever. While China has built up substantial reserves of foreign currencies, these often provide little defense against a currency run.

The IMF and other institutions have been fighting the tentacles of the Asian currency crisis since last summer, when the fund sent an urgent mission to Thailand. IMF reviews also warned that currencies in Malaysia, the Philippines and Indonesia were vulnerable. By last fall, the IMF was urging a new, $28 billion fund to stabilize the Thai baht and other currencies.

But the IMF strategy simply attracted the attention of investors to the weakness of the Asian tigers. The traders sold the currencies to buy them back later at a cheaper price after the inevitable devaluation.

Why don't the speculators force a similar prompt adjustment in the overvalued Chinese yuan? And why has the IMF focused most of its effort outside of China?

Western countries generally, and the IMF and the World Bank in particular, have great difficulty moving the Chinese government. It's undemocratic, hence unresponsive. It's secretive, and it tells lies.

And at the same time, China is powerful commercially, and foreign investors and multilateral institutions are leveraged to its fate.

That means there's a crossed-finger silence on the part of many investors and officials. Many of the largest loans from the United States Export-Import Bank in recent years have gone to subsidize exports to China. The largest borrower from the World Bank in each of the last five years? China. (From 1988 to 1992, it was Mexico.)

We Americans can cut our losses by stopping export subsidies to China, as called for in legislation sponsored by Senator Spencer Abraham, a Michigan Republican.

"De-funding" the IMF, as former Secretary of State George Shultz and former Treasury Secretary William Simon have recommended, and ending support for World Bank loans to China would deprive nations and investors of a bailout fund and a handy scapegoat.

Such a policy involves the risk that China would reverse its steps toward economic reform. But it has already retreated, halting the overhaul of state enterprises, among other steps. Ultimately, we can't choose what China's leaders do. Our choice involves incentives — whether or not we subsidize these unhappy trends.

The writer is president of Emerging Markets Group, an investment consulting firm, and author of "The Democratic Imperative." He contributed this comment to The New York Times.

The World According to Milosevic: 'You Don't Understand'

By Anthony Lewis

BELGRADE — "We Serbs have a national characteristic," Slobodan Milosevic said. "We resent being pushed."

His point, which he made repeatedly during a two-hour discussion, was that U.S. pressure on him and on the Serbs in Bosnia was counterproductive.

As an example, he cited the strong showing of Vojislav Seselj in the recent Serbian presidential election, in which he led but which was voided because the turnout was too low. Mr. Seselj was involved in atrocities as a paramilitary leader in the Croatian and Bosnian wars and now campaigns for a Greater Serbia. Robert Gelbard, the special U.S. envoy to the Balkans, has called him a fascist.

"It was a great mistake to keep sanctions on us," Mr. Milosevic said. "I told Gelbard it would only build up Seselj, and it did."

As for Bosnia, Mr. Milosevic emphasized that he supported the Dayton agreement and a single Bosnian state. Asked about the idea of partitioning Bosnia, he said: "Partitions are a bad idea."

He has tried to bring the two factions of Bosnian Serbs together, he said — one headed by Biljana Plavsic, president of the Bosnian Serb entity, and the other by the forces around Radovan Karadzic, the indicted war criminal — "to make them more civilized; time and elections will change things" and marginalize the opponents of Dayton, he said. "But you Americans don't understand that, with your black-and-white view of life."

He made clear that he was actively engaged in Bosnian Serb affairs.

Although he has been thought to favor the Karadzic faction, he gave some examples of arm-twisting it. For one, he said he had persuaded Momcilo Krajisnik, a Karadzic ally who is the Serbian member of the collective Bosnian presidency, to cooperate with the international task force on retraining police.

"Krajisnik should go," Mr. Milosevic surprisingly added. But he said that should happen in an election, as the result of gradual changes in attitude rather than outside pressure.

He reiterated his opposition to the International War Crimes Tribunal in The Hague. "Let us try war criminals ourselves," he said — Serbs resented a court that they saw as aimed at them when "all sides were guilty in Bosnia."

The American view of these matters is altogether different. In Bosnia, real progress in implementing the Dayton agreement has come only with increased energy and pressure by the United States and its allies in recent months.

Vojislav Seselj is seen by most analysts as a product of Mr. Milosevic's policies, not of America's. Mr. Milosevic stirred up extreme nationalism among the Serbs when the political appeal of communism waned, and started the wars that nurtured Mr. Seselj.

Mr. Milosevic's economic policies have also produced a desperation that can turn to extremism. During his 10 years in power the median income has fallen by more than half. Violence of a fascist nature is showing up in such things as brutal attacks on Gypsies.

The U.S. experience is that Mr. Milosevic cooperates, on Bosnia and other matters, only when pressure is applied. That is why the United States maintains what it calls the outer wall of sanctions, limiting Serbia's access to international finance.

Europeans have not ostracized Serbia economically. In June, Italian and Greek companies paid $900 million for a 49 percent share of Serbia Telecom. Mr. Milosevic used the money to pay overdue salaries and pensions before the elections.

Mr. Milosevic is in trouble now. In July he moved to the presidency of rump Yugoslavia, made up of Serbia and Montenegro: a ceremonial post that he planned to make powerful by constitutional change. But Montenegro has just elected an anti-Milosevic president who could block those plans — if Mr. Milosevic lets the election result be honored.

In the former royal palace where he now has his office, he projects a calm, cherubic charm. He still has control of Serbia's army and police and most of the press. He has thrived on chaos in the past, surviving by guile and force. No one should count Slobodan Milosevic out.

The New York Times.

She Made the White House Shiver

By David S. Broder

WASHINGTON — We at The Washington Post first knew Ann Devroy as that Gannett News Service reporter who gave us our toughest competition on the White House and political beats. But we did not gauge the true ferocity of her journalistic passion until she came to this newsroom in 1985.

She started as political editor *on the national news desk*, believing (mistakenly) that the hours would allow her more time with her daughter, Sarah, than the constant travel and deadline pressures of the White House beat.

From my desk, a good distance away, I would often hear her bellow, "Would you get the (bleep) out of my face and let me do this job?" I'd glance up and see an abashed national news editor, or executive editor, slink away.

When Sarah was ready for all-day school, Ann returned to the White House beat she was born to cover — and to dominate for years, until cancer struck. Ann, who died Thursday at age 49, was the most dogged, determined, complete reporter any of us ever saw.

The conscientiousness of her reporting won the admiration even of politicians and public officials who hated how much she was able to learn. As James A. Baker 3d, the former everything in the Reagan-Bush years, said Thursday, "I never knew an instance where she would write first and check later."

Marlin Fitzwater, press secretary to the two Republican presidents Ann covered, wrote in his memoirs: "Devroy was always honest with me, and I worked very hard to always be honest with her. She would get madder than hell when I avoided her, but ... often I would have to say: 'Ann, I simply can't and won't talk about this.' She would change the subject and come at me from a different direction."

Her competitors on the beat shared that admiration. Andrea

Ann Devroy was the most complete reporter any of us ever saw.

Mitchell of NBC News said that in the early Reagan days, "when USA Today was just beginning and had no news hole, Ann [then working for *its publisher, Gannett] was the* most relentless, detailed reporter of all of us. She forced the White House to take her seriously, even when her paper was a joke."

Ms. Mitchell calls Ann — who used her temper as a journalistic tool — "the nuclear weapon of reporters," but noted that her laughter was frequent and disarming.

Those sitting nearby in the newsroom would often hear Ann say to the White House spokesman, "Come on, George" (or Marlin or whomever), "you can't tell me that." Her comment to Dee Dee Myers, Bill Clinton's former press secretary, was, "Don't try to out-bitch me, Dee Dee."

Another White House official said when Ann returned from more than a year's absence fighting cancer that he had missed her. "She was our best b.s. detector," he said. "We'd work out a line at the morning staff meeting and try it on Devroy. If it worked with her, we were fine. But most of the time it didn't."

Others were relieved by her absence from the 1996 campaign. Ken Auletta wrote in The New Yorker: "It no doubt helped Clinton, White House aides say, that Ann Devroy of the Washington Post — the most aggressive, the most feared and possibly the best White House reporter — was seriously ill and on the sidelines throughout the campaign."

George Bush, who knew firsthand how relentless her scrutiny could be, wrote Ann when she was at the M.D. Anderson Cancer Center in *Houston last year:*

"I want you to win this battle. I want the same toughness that angered me and frustrated me to a fare-thee-well at times to see you through your fight. I want you to walk out of Anderson victorious ... And then when you come back and write some story that I don't agree with, I'll moan and complain; but I'll understand with crystal clarity why so many of your friends, so many of your colleagues, respect you — love you."

Washington Post staff writers Dan Balz, Peter Baker, Bob Barnes, Lou Cannon, Karen DeYoung, John Harris, David Hoffman and Bob Woodward contributed to this report.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: N.Y. Rail Wreck

NEW YORK — The New York and Boston express, which left Chicago at 8.45 last night [Oct. 23], met with a frightful accident at 4.47 this morning at Orchard Station, forty-eight miles north of New York. The tracks run close to the bank of an inlet from the Hudson. The tracks collapsed and the engine, baggage and express car, two coaches and two sleepers went into the river. Two sleepers remained on the track. The fatalities are estimated at from thirty to fifty lives lost.

1922: Mayor Sees Red

BOSTON — Following Isadora Duncan's demonstrations on Saturday [Oct. 21] and Sunday nights at Symphony Hall, when she waved a red scarf at the close of her dance program and announced that she was just as Red herself, Mayor Curley has ordered that she not be permitted to appear again on any stage in Boston. The famous dancer proved that she would not let herself be tamed by *making an* attack on Boston and Bostonians before leaving the city. "Bostonians," she declared, "are afraid of the truth. All Puritanical vulgarity centres in Boston."

1947: London Crash

LONDON — Thirty-one persons were killed and sixty injured today [Oct. 24] when two Southern Railway electric trains collided in thick fog near South Croydon, a London suburb. The crash occurred when the 8.04 a.m. train from Tattenham Corner ran into the back of the 7.33 a.m. slow train from Hayward's Heath, 400 yards from South Croydon station. Both trains were crowded with rush-hour passengers, many of whom were standing in the compartments. It was the Southern Railway's worst disaster.

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Rediscovery of a Portuguese Painter's Spiritual Masterpieces

International Herald Tribune

LONDON — Few would have been able to spell the name until the Lisbon show of 1992, "Josefa de Obidos and the Baroque Age." Even today, after the retrospective held at the National Gallery in Washington, recast here as "Josefa de Obidos of Portugal" at the European Academy for the Arts and Accademia Italiana until Nov. 16, the 17th century painter remains almost unknown outside the Iberian peninsula.

Much about her life and work has yet to be uncovered and as one leaves this show, enchanting for its novelty and for the simple

SOUREN MELIKIAN

elegance of its hanging done on a shoestring budget, one keeps marveling about the sources that inspired such a thoroughly personal artistic vision.

"Josepha de Ayalla," as she signed herself in the early stages of her career, was born in Seville in 1630, the daughter of a Portuguese painter, Baltazar Gomes Figueira (1604-1674), who initiated her to the craft.

She is believed to have stayed on in Seville with a grandfather when her parents left abruptly in 1634 following a legal dispute. Ten years later, she was in Portugal as a boarder pupil at the Augustine Convent of Santa Ana. Precisely how her father took her under his wing to initiate her to painting is not known, but she must have been remarkably responsive.

In 1646, Josefa cut an engraving of St. Catherine, inspired by a Dutch print that she radically modified, and in 1647 she painted her first signed and dated picture, "The Mystical Marriage of Saint Catherine." A work of great charm if not striking genius, it is stamped with her hallmark — a mixture of delightful innocence and disregard for established iconography.

An atmosphere of mystery surrounds this period of her career. Josefa left the convent, having decided not to take the vows, but never married and was later extolled for her chaste celibacy. The family had ample means and painting was clearly not a livelihood.

Art seems to have met a personal need linked to her strong religious beliefs — she constantly accepted commissions from churches and convents. Angela Delaforce, the British art historian who wrote the preface to the catalogue, said in a telephone interview that the artist must have had patrons in the nobility, but these remain an unknown quantity.

One of the most curious aspects of her painting is Josefa's highly personal approach to religious subjects. In an early work, "Saint Mary Magdalene," the repentant woman is seen as a young girl leaning forward in the intensity of her distress. Her hands are spread out in a gesture of tormented entreaty and her eyebrows tearfully knit. The hues are exquisite — rusty pinks and soft browns seen under the light of late northern Caravaggism.

Josefa could be sentimental and technically clumsy, but a poetic feeling redeems much of her work. One of her "Salvator Mundi" images has a fairytale touch to it. Jesus, clad in pale purple robe, walks in a landscape, lost in sad reverie as darkness is about to settle. In the distance, faint light comes through dark trees. Shreds of clouds hover over the scene, touched with pink.

Josefa's softness comes through in almost every religious subject. In one "Agnus Dei," a lamb with its legs tied as the intended sacrificial victim lies on a table in helpless innocence, framed by a wreath. The wreath, the catalogue says, is "a patent symbol of paradisiacal realm restored by the Risen Lord." But the instant suggestion is that of a world lovely in appearance and ferocious to the most innocent. At the top, a boyish face peers out of the shadow with a puzzled expression.

Portuguese Ministry of Culture
The painter's "Christ Child as a Pilgrim" (detail).

As Josefa grew older, her interpretation of religious subjects became ever more unconventional. "Christ Child as a Pilgrim" shows a very feminine-looking figure holding a wide-brimmed plumed hat in one hand and steadying a staff with the other. A tiny sunburst hovers over the head of the figure, clearly identifying it as Jesus. The landscape is plunged in semidarkness, but in the foreground small camomiles and daisies gleam.

Some of the religious scenes exude an extraordinary sense of intimacy. In the "Holy Family," signed "Josepha em ["in"] Obidos" — as she did after settling in the Portuguese town — Joseph and Mary are seated, hands joined in prayer, at a dinner table laden with food. Jesus stands as a rosy-cheeked boy in a long robe looking in wonder at the flame of a candle, his right hand raised in the teaching gesture under his mother's tender gaze — the ascetic painter, it would seem, had a soft spot for children. Three pewter plates on the table, one with a fish, the second with two carrots and the third with half a melon, are handled with the care of a still-life painter.

And an extraordinary still-life painter Josefa undoubtedly was. Her religious paintings may be moving for what they tell us about her, but they remain provincial. In her still lifes, the painter sometimes equaled the greatest.

Two are of spartan simplicity, each detail rendered with exquisite perfection. In one, a beautiful polylobed fruit bowl set on a ledge has a metallic sharpness although the medium is probably porcelain. Five blossoms seem to hover above the cakes that fill the bowl, their stalks virtually invisible. Other blossoms gleam on the ledge like visual punctuation marks, giving the composition a rare lyricism. The matching still life of lemons and quinces arranged in a low wicker basket is terser. With its harmony of yellows and reds emphasized by white flowers and the shadow surrounding it, it is a gem.

The ultimate is probably a still life with boxes and vessels painted with a rare feel for contrasting materials. The transparency of a crystal bowl containing a slightly golden liquid — fruit juice? — is set off by the dark silvery sheen of the footed stand. On the right, a vermilion earthenware jar and cover glows, while on the left two round boxes made of bark, one a soft brown, the other a toned ochre, compose a harmony in mat colors.

In a large still life, white lace-like blossoms contrast with the solid roundness of some fruits just as the Chinese porcelain tureen is set off by a metallic dish. The author of the catalogue entry sees a precise symbol in every detail, a tendency that other scholars condemn. The overriding impression is that of a carefully contrived construction, lyrical in its handling of color and luminosity, and so rigorous that not one iota could be removed.

We are still in the early stages of discovering the oeuvre of this astonishing painter. New works will slowly be added to the 150 or so paintings accepted by Vitor Serrao, the art historian who put her on the map in the 1992 show. More information regarding her life will emerge from archives. But whatever new facts may be unearthed, they are unlikely to shed light on the unique combination of burning faith and a passion for painting that every now and then gave Josefa de Ayala, alias de Obidos, the spiritual strength to create a few stunning if barely known masterpieces.

In Venice, an Expressionist Mirror of German Society

Bavarian State Collection
Max Beckmann's "Dance in Baden-Baden" of 1923.

By Roderick Conway Morris
International Herald Tribune

VENICE — The end of the last century and the beginning of the current one was a time of unprecedented ferment in the visual arts in the German-speaking world and the period in which some of its most talented painters and sculptors finally broke free from Paris's all-pervasive influence, establishing themselves as a independent force in the overall development of 20th-century art.

It is not the least of the achievements of "German Expressionism: Art and Society," at Palazzo Grassi on the Grand Canal (until Jan. 11), that it succeeds in conveying some of the optimism and vibrancy of the era, as well as the disillusionment and bitterness, familiar from the works of Otto Dix and George Grosz, that came in the wake of war, failed revolution and dashed hopes. With about 250 works by 24 artists from 50 museums and collections in seven countries, the show provides as comprehensive an overview as one is likely to see.

Nineteenth-century Germany and Austria witnessed a proliferation of art societies and clubs, and during the last years of the century, the phenomenon of the Secessions, when groups of like-minded artists in Berlin, Munich, Vienna and elsewhere abandoned existing academies and societies to set up alternative ones (sometimes in due course to secede from the Secessions). This was the culture in which the Expressionists came into being, where even avant-garde movements formed themselves into recognizable clubs.

The two most notable to emerge were Die Bruecke (The Bridge) in Dresden in 1905, established by Ernst Ludwig Kirchner, Karl Schmidt-Rottluff, Erich Heckel and Fritz Bleyl, and Der Blaue Reiter (The Blue Rider), founded in Munich in 1911 by Wassily Kandinsky and Franz Marc.

The artists of both coteries, which attracted further members, originally took an intense interest in nature and landscape. Though committed to reforming art and society, in their early days they seemed more Arcadian dreamers than angry young men. As Max Pechstein, an early recruit to Die Bruecke, recalled their half boy-scout, half bohemian ethos: "We painter folk set out early every morning heavily laden with our gear, the models trailing behind with pockets full of eatables and drinkables. We lived in absolute harmony, working and bathing."

Van Gogh, Gauguin and the Fauvists exercised a powerful grip on the minds and palettes of the young artists, as did African and Oceanic arts, but it was the path indicated by Edvard Munch, more than any other single painter, that many of them followed. While Kandinsky veered toward abstraction, however, the Bruecke group remained resolutely figurative.

The core members of Die Bruecke migrated between 1908 and 1911 to Berlin, a move that not only won them a wider public but also radically affected the kind of work they produced. The city's bright lights, teeming streets, stark juxtaposition of wealth and poverty, cafés, cabarets, prostitutes, and cosmopolitan ebb and flow, for Kirchner marked a high point in his experience of "the ecstasy of seeing things for the first time." His method of sketching on the spot, to capture the essence of the composition and discover innovative modes of expression to be transferred later onto canvas, was ideally suited to the restless, sexually charged spectacle he encountered.

BERLIN life also proved a fruitful subject for Kirchner's lithographs and woodcuts, the latter forming a traditional German medium that he and his fellow Expressionists did much to revive.

Most of the Expressionists were caught up in the nationalistic fever that preceded World War I, perhaps the victims of a mass delusion and of imperial propaganda. So most of them willingly enlisted for military or medical duties (while the Russians, Kandinsky and Alexei von Jawlensky, as enemy aliens were forced to leave the country). August Macke was killed during the first weeks of the conflict, Franz Marc died at Verdun in 1916, and others were wounded.

The ghastliness of the war was unflinchingly recorded in engravings by Max Beckmann and Dix. Much later, Dix said: "The war was a horrible thing, but there was something tremendous about it, too. I didn't want to miss it at any price." Beckmann and Kirchner suffered mental and physical breakdowns while serving in the army. Kirchner retired to Switzerland in 1917, where, despite chronic ill health, he painted some bold, strangely tranquil mountain landscapes (represented in the show) before his suicide in 1938.

By 1920, critics were cheerfully pronouncing Expressionism dead, not least because of the eager adoption of its striking use of line and color by graphic designers and advertisers. The would-be painter Adolf Hitler nurtured a strong aversion to Expressionism, along with everything else that did not conform to his taste for the literal and kitsch, and many works were confiscated and destroyed by the Nazis.

Fortunately, enough of the best has survived to stand alone — the products, to paraphrase the words of a German critic, Paul Westheim, writing in the '20s, of much more than a mere school, more than a mere tendency.

More Clues to Mathew Brady's Quest

By Frank Van Riper
Washington Post Service

WASHINGTON — "He was born into a world without photographs," the National Portrait Gallery's Mary Panzer says of Mathew Brady, the complicated 19th-century artist/entrepreneur who helped give the fledgling craft of photography a vision based, schizophrenically, on both fancy and fact. "By the time he died" in 1896, Panzer continues, "photography had entered every crevice of American life."

Brady remains a cipher, even to historians, since he left almost no written record of himself in the form of letters or diaries.

But from the recollections of colleagues — and the occasional newspaper interview — Brady, known to most as the camera man who recorded the Civil War, emerges as a promoter with an overwhelming desire to cozy up to and photograph the rich and famous of his age. Viewed only in this unflattering light, Brady — whose work now comprises a large and fascinating exhibition at the National Portrait Gallery — seems little more than the forebear of a mundane studio photographer, caring more about selling portraits to unsophisticated clients than about creating anything beyond the saccharine or clichéd.

But for all his commercialism, Brady also had visual genius. His "views," as many of his photographs, daguerreotypes and ambrotypes were called, carry the indefinable aura of fine art.

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BOOKS

THE JOURNEY IS THE DESTINATION: The Journals of Dan Eldon

Edited by Kathy Eldon. $27.50. Chronicle.

Reviewed by
Liesl Schillinger

JUST as a botanist presses flowers in a book to trap the color they held when they still lived, "The Journey Is the Destination" holds a life compressed in its pages. That life is a collage of dewy girlfriends and Masai tribesmen, of wildebeest and decrepit Land Rovers, of photos, ironic news clippings and journal entries, all of them transformed by paint, ink, hair, beads, coins and blood into a talismanic journal of an artist's youth.

That artist is Dan Eldon, a dashing young Reuters photographer who was born in London, raised in Kenya and killed in Somalia at the age of 22, when an angry crowd stoned him to death after a UN bombing raid. The book has been drawn from the 17 visual journals Eldon made between 1984, the year he turned 14, and 1993, the year he died. Its pages were selected by his mother, Kathy, not to mourn his death but to celebrate his exuberant, concentrated life.

At 22, an age when most of his contemporaries were frolicking in their last summer of freedom, the pause between college graduation and the yoke of the first job, Eldon had been drawn by his conscience to go to Somalia, to document the famine, war and lawlessness that prevailed there in 1992 and 1993. He was hardly a hardened newsman; he was a free-spirited boy with a hungry eye for beauty.

The depravity of impersonal deaths came as a shock to him. "This was my first experience with war," he wrote in a book he published. "Before Somalia, I had only seen two dead bodies in my life. I have now seen hundreds, tossed into ditches like sacks. The worst things I could not photograph." Only the last few pages of his journals acknowledge the stark brutality of Somalia; the others preserve a rare adolescence in which imaginative horseplay jostled with exuberant idealism.

For young people who doubt that a life grander than MTV and the mall can be achieved in this age, Eldon's journals prove otherwise.

The "Journals" focus a spyglass on Eldon's life, showing him exploring the Great Rift Valley with his Kenyan friend Lengai Croze, photographing his sister Amy and her friends in absurdist scenarios and raising money to pay for a heart operation for a Kenyan girl. They chronicle his trips to Japan, Russia, America and Europe and his stints at a few colleges.

They also highlight the relief expedition he initiated to help Mozambiquan refugees in Malawi, an adventure for which he raised $17,000 and mobilized an international team of 12 dazzlingly attractive young people, turning the mission into an orgy of youthful philanthropy. They embarked on the mission of helping refugees while recording "in detail with the eyes of a child, any beauty (of the flesh or otherwise), horror, irony, traces of utopia or Hell." It was, he writes, "the search for clean water in a swamp."

But another multilayered page of this color-drenched book reveals a deeper purpose. Eldon stacks a folded itinerary on a blood-spattered page of a magazine called "True Love," and on top of these he lays a torn sheet of cream-colored paper. On the bottom half of the paper, he has pasted a passage torn from Machiavelli's scheming masterwork, "The Prince." Black ink bleeds out the edges of the passage, and Eldon has underlined one sentence: "A man who wants to act virtuously in every way necessarily comes to grief among so many who are not virtuous."

Ironically, in July 1993, the grief- and rage-stricken mob that killed him did not understand how well he meant by them, as he attempted to photograph for Western eyes the bloodshed that he, like the Somalian crowd, regarded as unjust. "The Journals of Dan Eldon" guarantee that the rest of us will understand, and show us that, even if we don't know who our heroes are until they die, we can still draw inspiration and direction from a life well lived, after that life has ended.

Liesl Schillinger, a columnist for the London Independent on Sunday, wrote this for The Washington Post.

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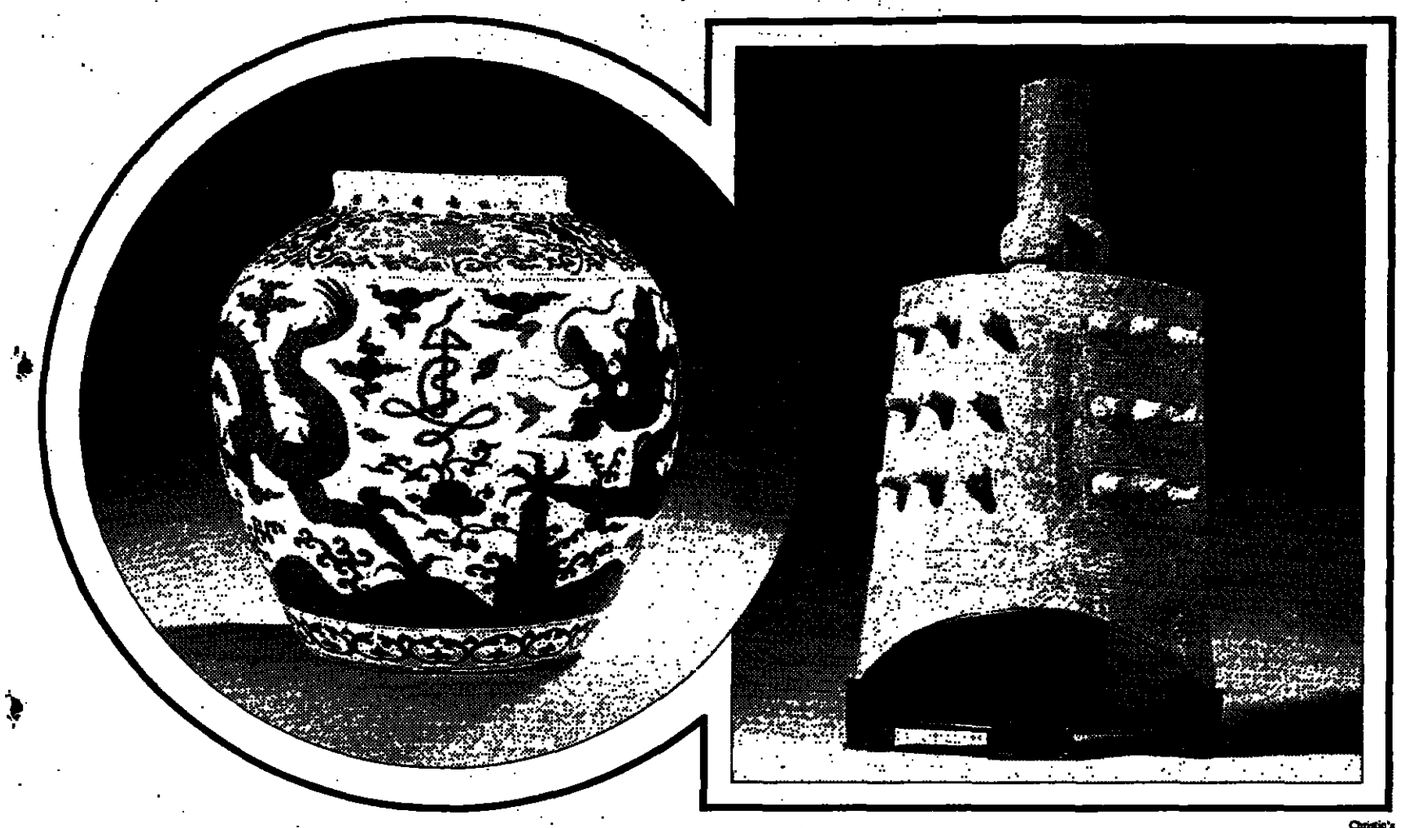
Arts & Antiques



Christie's

An imperial blue and white dragon jar, left, sold for $250,000 at a Christie's auction in New York; at right, a bronze musical bell fetched $134,500.

Chinese Aesthetic Taking Hold in U.S.

By Souren Melikian

NEW YORK — Like a rising tide, Chinese taste is refashioning the art scene in New York and, more importantly, coloring the whole American perception of Chinese art.

Two decades ago, there was little common ground between American and Chinese connoisseurship in matters relating to the art of China. In museums as in the higher spheres of collecting, Americans gave pride of place to the early periods. The bronzes of ancient China from the Shang to the Han dynasty, roughly from the 12th century to the 1st century B.C., Tang pottery of the 7th and 8th centuries, Song ceramics (11-13th centuries), early blue and white porcelain of the 14th and 15th centuries and, not least, Buddhist sculpture starting around the 6th century down to the 11th century, were the areas most admired and granted precedence in public collections.

A day at the Metropolitan Museum of Art, which has been turning into one of the nation's leading museums of Chinese art in the last 12 years, reveals a 180-degree turnabout. Not that the old loves have been discarded. The famous 6th century, larger-than-life-size standing Bodhisattva towers above a whole room and the collection of archaic bronzes has been dramatically expanded. Steered by James Watt, senior research curator in the Chinese art department, Charlotte and John Webber acquired a number of beautiful pieces in the 1980s and donated them to be displayed in the gallery named after them.

But "James Watt" is a nom de plume. Qu Zhiren, as he is really called, was educated in Hong Kong. The imprint of the Chinese approach in the new "Irving Galleries for Chinese Decorative Art" owes a great deal to Qu alias Watt. A whole wall is reserved for the display of rhinoceros horn objects from wine beakers to horns carved in openwork. Inkstones, once a rare sight in Western museums, are much in evidence — no scholar's studio could do without them.

Bamboo objects are also given their due. Eventually, Qu-Watt's mark will probably extend to the display of the paintings.

Add that the consultative chairman of Asian Art is Wen Fong, thanks to whom a fabulous donation of Song and Ming masterpieces was made six years ago, and it is hardly surprising that the Met houses the most Chinese of Chinese art departments.

A growing Chinese presence is similarly transforming the auction scene. On Sept. 18, Part III of the "Jingguantang Collection" filled the rooms at Christie's. This denomination describes a small section of the largest Chinese art collection assembled in this century. It was formed in the 1980s by an immensely powerful businessman, T. T. Tsui, who became fascinated with art to the point of setting up the T. T. Tsui Museum of Art.

No one quite knows what induced Tsui to sell off chunks of his collection. Some extraordinary pieces have been negotiated in hitherto unpublicized transactions. Such is the admirable 6th century or 5th century B.C. bronze rhinoceros that was on view at the Victoria and Albert Museum before finding its way into a U.S. collection through the

Continued on Page 11

Mirror Into Heart Of Medieval Prayer

Manuscripts of 'Book of Hours' Shown in Rare New York Exhibit

By Souren Melikian

NEW YORK — In the most patrician of New York museums, a rare art show should be seen by anyone chancing to pass through this city until Jan. 4. "Painted Prayers," put together at the Pierpont Morgan Library by Roger S. Wieck, curator of Medieval and Renaissance Manuscripts, introduces the "Book of Hours," the most widely read, most frequently illuminated book from the mid-13th to the mid-16th century in Western Europe.

Presented with understated elegance, it is difficult to look at. Only the most trained eyé can sustain the two hours of careful peering that a visit at a single stretch requires. By the end, the viewer sees enough to make mental notes, but not to take in the art. Indeed, such books were never meant to be seen en masse.

Each "Book of Hours" was gazed at solely on its own by whoever commissioned or inherited what was in effect the handbook of the living Christian faith in Western Europe — the Church did not encourage the faithful to read the Bible.

The "Book of Hours" was thus called because prayers addressed to Mary were to be recited, ideally, every hour through the day. They included the 37 Psalms that made up the "Hours of the Virgin," a "Calendar" naming each day of the year after a saint honored on that date, the "Office of the Dead," and other texts for religious use.

For 300 years, the "Books of Hours" mirrored, or served as a counterpoint, to the intimate convictions of believers. Their dramatic transformation in that lapse of time matches the metamorphosis of European society from one driven by religion into one concerned about worldly matters only.

A striking vision of medieval devotion in the privacy of home appears on a page from the "Psalter-Hours of Yolande," vicomtesse de Soissons, painted in Amiens around 1280-1290. A noblewoman kneels hands joined in prayer, like some three-dimensional effigy under the pinnacles of a Gothic structure. She stares at a sculptural group of the Virgin and Child set upon a draped altar, as if hypnotized by the youthful smile of Mary — the statue is as much of flesh and blood as the praying woman.

Daily life intrudes. A tiny lapdog with an ornate collar seated on its hind legs looks up at Mary, in unison with his mistress. Along the frame, animals, birds and mythical creatures make up a surreal pageant full of irony. An irate white bird turns its head to look indignantly at the praying woman. Further up, a well-fed white dog with flapping ears looks up as if he would dearly like to bite a hare standing on its hind legs one rung up.

An animal world full of tongue-in-cheek derision thus frames the scene of devotion in a typical medieval mix of the sublime and the pithy.

That medieval world was still unchanged in the first quarter of the 14th century when a "Book of Hours" for the use of Sarum in England was commissioned by the DuBois family in an unusually large size, 12½ by 8½ inches. In one miniature, Mary enthroned under an arch holds up a red pomegranate as she gazes at a tiny robed Jesus standing on her lap. Family members half the size of Mary stand on the sides of the throne, hands raised to implore Mary to intercede with Jesus on their behalf. The only background is the solid gold of divine light.

It took less than 100 years for medieval society to step down from the contemplation of transcendental reality to become wrapped up in the mundane matters of ordinary life. In a small "An-

Continued on Page 11

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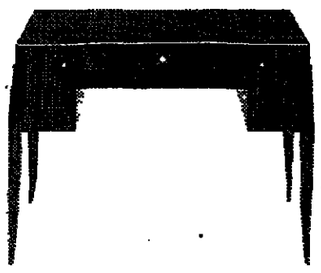

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View of Saint Mark's. Canvas. *68 x 100 cm*

MARTIN VAN CLEVE - Antwerp 1527-1581
The four seasons. Set of four panels. *31 x 46 cm*

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Louis XV period. H. 95 cm W. 73 cm D. 55 cm

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Pair of carved gilded wooden armchairs.
Regency period, circa 1730
H. 119.5 cm W. 69.5 cm D. 62 cm

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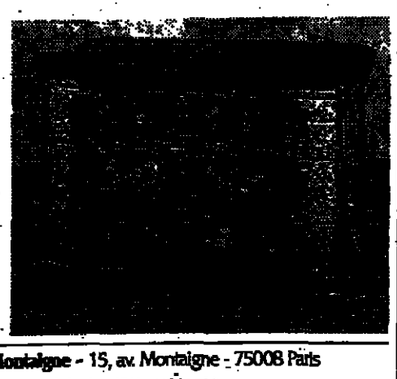

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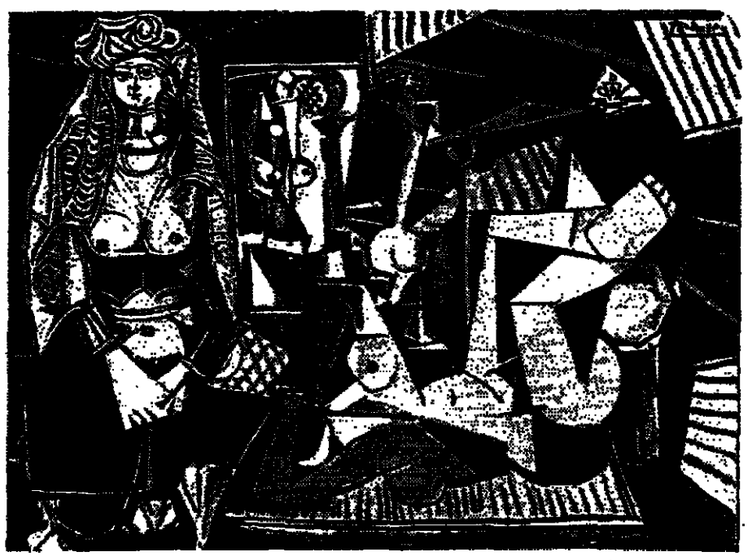

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(Shown above)
Pablo Picasso, *Les femmes d'Alger (Version "O")*, signed top right 'Picasso'—dated on the reverse '14.2.55'. oil on canvas, 44⅞ x 57½ in. Painted on 14 February 1955. Estimate: $10,000,000-12,000,000

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Futurism Returns but Its Bad Image Lingers

By Roderick Conway Morris

VENICE — Filippo Tommaso Marinetti, poet, publicist, rabble-rouser and founder of Futurism, glorified speed, machines, mass culture, modern warfare and Benito Mussolini, to whom Marinetti remained faithful until the dictator's death in December 1944.

Futurism, a home-grown Italian product but launched by Marinetti's Futurist Manifesto published in Le Figaro in 1909, was the paradigm of all subsequent sensationalist 20th-century avant-garde movements, but is distinguished by having become associated with the right rather than the left in politics. The negative aura that still clings to it has made Futurism the least consistently studied of avant-garde trends and, at times, a phenomenon simply not to be discussed in polite *bien-pensant* company.

However, a series of simultaneous independent initiatives may in the coming months give Futurism more concentrated public exposure and critical attention than it has received since the strident, posturing and tumultuous era of its inception, ironically thanks in large part to the efforts of a self-made businessman and art enthusiast, Gianni Mattioli (who in the 1940s helped Italian Jews escape to Switzerland), and the Brooklyn-born son of Russian Jewish emigrants, Eric Estorick.

Milan was the epicenter of Futurism but, in what has been seen in some quarters as a slap in the face to its birthplace, Luisa Mattioli Rossi, the daughter of the most prominent Italian private collector of Futurist art, Gianni Mattioli (1903-1977), has lent 26 key pictures to the Guggenheim in Venice for a five-year, renewable period. They are presently displayed in a separate wing of the building, but the terms of the loan allow the Foundation to intermingle Mattioli's canvases with the rest of the collection and to show them in its other museums abroad.

Mattioli was obliged to leave school at 15 to work as an errand boy for a raw cotton importer, but got to know Fortunato Depero and through him the rest of the Futurist circle. Mattioli eventually became a cotton magnate and between 1946 and 1953 was able to build a substantial collection of his friends' and other Italian works. This is the first time they are on continuous public show.

Umberto Boccioni, Giacomo Balla, Carlo Carra, Luigi Russolo and Gino Severini, who signed the "Manifesto of Futurist Painting" in 1910, are represented by key pictures familiar from the textbooks, as are the other main figures who identified themselves with the movement: Depero, Ottone Rosai, Mario Sironi and Ardengo Soffici. Giorgio Morandi only briefly flirted with Futurism, but half a dozen of his oils from 1913-1917 are also here, as well as Modigliani's 1914 "Portrait of the Painter Frank Haviland," which makes up for the lack until now of the artist's work in Peggy Guggenheim's collection.

A sociologist turned art collector and dealer, Estorick (1913-1993), also developed a passion for early 20th-century Italian art in the '40s and '50s and, having adopted England as his home after the war, bought a series of classic Futurist pieces by Boccioni, Balla, Russolo, Severini and Soffici as well as canvases by Giorgio de Chirico and Modigliani. Some of these were on loan to the Tate Gallery from 1966-1975, but the sale of a Kandinsky and a Chagall and money from the National Lottery have now financed the creation of a permanent home for the Estorick Collection of Modern Italian Art at Northampton Lodge in London. It will open to the public from Jan. 28.

Marinetti and his followers prided themselves on concocting a Futurist version of everything from architecture, musical movement and flower arranging to clothing, sex and gastronomy. It is the ambition of a large-scale forthcoming show, "Futurism: 1909-1944," to tackle not only the visual arts but also Futurist literature, theater, film, fashion, advertising, building, interior decoration and other areas where the ideology had an impact.

The exhibition will be at the Palazzo Ducale in Genoa (Dec. 18-March 8), then at the Fondazione Marzotta, Milan (March 27-June 28).

The dancer Giannina Censi (1913-1995) became a leading exponent of Futurist expression on stage. Her performances included an interpretation of lyrics by Depero who had designed ballet sets while working in New York. Depero's house-museum in Rovereto is now the setting for "Giannina Censi: Futurism in Dance" (until Nov. 30).

Full-blown Futurism lasted only a few years and most of its adherents soon turned to other styles and more traditional values. Many of its most characteristic art works already form part of collections such as those of Mattioli, Estorick and Jucker (which was sold by the heirs to the Milan municipality in 1992, and is now on show with the city's other Futurist holdings at the Palazzo Reale). Yet, there are still a number of significant works that could yet come onto the market, according to Claudia Gian Ferrari, who regards herself primarily as an art historian with a special interest in Futurism, but also deals through her eponymous gallery in Milan.

"In Italy, Futurism was considered synonymous with Fascism after the war and the authorities positively encouraged the sale of works to foreign buyers — the reason why so many of the major ones are no longer here," she said. "But the attitude has been changing and Futurism is now finding its place in the general overview of modern Italian art."

The movement's unfashionability have kept prices low in comparison with other contemporary schools of avant-garde art, she added. Boccioni died in a riding accident in 1916, and many of his pieces are already in museums, so are rare. But it now seems likely that one of his paintings will soon be available for sale, and Gian Ferrari said she would expect it to fetch 4 billion to 6 billion lire ($2.3 million-$3.5 million). Meanwhile, two works from Severini's Futurist period will figure at Christie's Nov. 24 Milan sale, both estimated at 38 million to 42 million lire.

Gianni Mattioli Collection

Marinetti and Depero sporting Futurist vests in Turin in 1922. Between them is Mattioli, aged 18. Far right, is playwright Francesco Cangiullo.

RODERICK CONWAY MORRIS is based in Venice.

Great Substitution Game Generates High Stakes and Huge Profits

By Souren Melikian

LONDON — Slowly but irresistibly, a gigantic substitution game is being played on the art market. As the total of available paintings from the Renaissance to the outbreak of World War II dwindles by the year, interest shifts from categories no longer available to others that still are.

This jolts the entire price structure, opening phenomenal profit opportunities but, equally, transforming art buying into a high-risk performance. The latest case of a whole category being hiked to a new level could be observed this month, on Oct. 9, when Christie's sale of "German and Austrian Art" carried even further the boom which started at Sotheby's on May 13 in New York.

Gustav Klimt's landscape "Schloss Kammer am Attersee II," painted in 1909, struck imaginations because at £14.5 million ($23.5 million) it raised almost by half the record for any painting of the 19th and 20th century Germanic schools. The previous record for Klimt was set on May 13, at Sotheby's New York, when "Litzlberger Keller am Attersee" painted around 1915-1916, climbed to $14.7 million.

One could argue interminably about the respective merits of the two pictures. The 1909 landscape displays the Pointillist brushwork devised by Georges Seurat and Paul Signac more than two decades earlier. But the juxtaposed color dots are not used for a chromatic analysis of light. They merely served to tone colored surfaces. Indeed, the 1909 landscape, rigorously composed and precise in its figural rendition of the chateau, is conservative in its conception compared with the avant-garde of its time.

The 1915-16 picture is different in mood. A slightly naive touch is introduced by trees with clearly defined leafy masses. At the same time, the crisscross Impressionistic brushwork and a nascent trend toward abstraction make it more modernist in spirit. The difference in the financial outcome of the two Klimts owes little to aesthetics and a great deal to a heightened awareness that the best of early 20th-century German and Austrian painting still turns up, when the best of Impressionism and other avant-garde movements (Pont Aven, the Nabis) have virtually deserted the auction market.

Indeed, the shift of focus to the Germanic schools was not confined to any given trend. Expressionism so different from Klimt in its brutality and stridency climbed even higher than on June 24, when several record prices for Expressionist artists were paid at Sotheby's in London.

August Macke was represented by one of his most accomplished works, "The Couple at a Garden Table," charged with the emotional symbolism attached to its late date, July 1914, just before the beginning of the 1914-1918 Armageddon that put an end to the more vigorous and inventive strain of Expressionism. It associates the coloristic violence of Expressionism with a new tendency toward abstract stylization that could have heralded new developments had the young painter not died on the Front. All that helped in sending the picture to an all-time high £2 million.

Similar considerations sent Franz Marc's "Leaping House" soaring to £936,500, a record price for a work on paper by the artist.

Most revealing of the search for substitutes is the record achieved for Otto Mueller with a late post-World War I picture probably done around 1927. Two dark-haired young women are seated in the grass, one turned toward the viewer, exposing her bare breast. Apart from this attempt at titillating the bourgeois, there is not much about the picture that qualifies as bold. The record it set for the artist at £1,101,500 was perhaps the most unexpected of all. It points to a large-scale, none too discriminating transfer of interest to early 20th-century Germanic painting.

A whole string of high prices says even more about this massive transfer than just a few records. They affected every aspect of German painting. A £925,500 was paid for Karl Schmidt-Rottluff's "Dangaster Park" dated 1910. In this strange landscape which flirts with abstractionism, color spreads like leaping flames.

For auction houses concerned with levying their percentage on sales, no matter what is sold, the ascension of the substitution products is good news. For buyers, it is making the art market more fraught with danger than ever before. The outcome of sales is becoming increasingly unpredictable. As prices rise, so do reserves (the unprinted minimum below which a consigner does not authorize the sale of his goods) and as these do, so does buyer resistance. Failures to sell are common. In the £32.6 million sale of German and Austrian art in October, which was a tremendous financial success for Christie's, 32 percent of the lots found no takers.

The dangers inherent in the substitution game are perhaps greatest when the lesser works of famous artists are promoted for commercial advantage. There is a tendency to declare sublime the early work of artists who later became famous when working in a different manner. Last May in New York, a portrait of his uncle done around 1866 by Cezanne under the influence of Edouard Manet, went up to $2,917,500. The combined impact of Cezanne's exalted name and of the relentless marketing organized around the John and Frances Loeb collection resulted in this "miraculous" price.

In a nutshell, by blurring the boundaries between categories the new substitution game spreads the impression among outsiders that when item A is not available, all they need to do is move down the line to item B. Sometimes it works and sometimes it does not. Behind its facade of ever-rising prices, the art market is increasingly looking like a lottery with crazy stakes. When the upward movement stops, the awakening might be even ruder than at the time of the 1990 crash.

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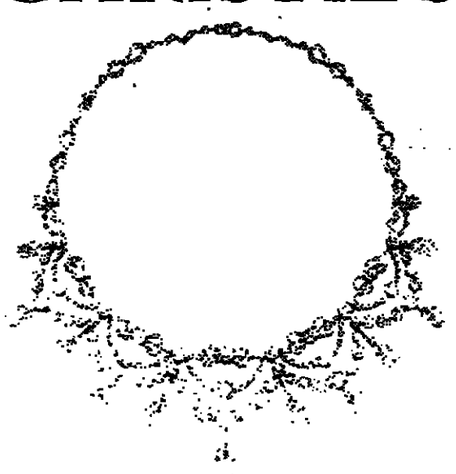

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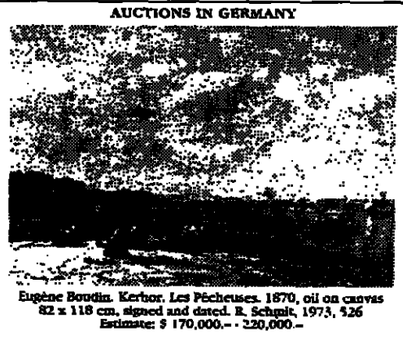

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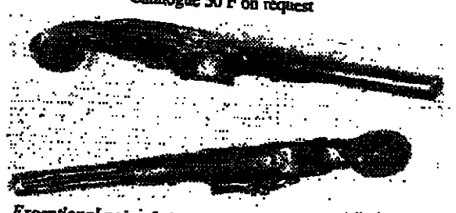

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Richard Meier in front of the $1 billion Getty Center.

Meier: U.S. Architect With a Feel for Europe

By Dana Micucci

NEW YORK — Richard Meier, one of today's foremost architects, is as well known for his sleek, white modernist museums as for his private residences, civic commissions and corporate headquarters throughout Europe and America.

His most recent accomplishment is the Getty Center — a $1 billion, six-building arts and cultural complex overlooking Los Angeles that is scheduled to open Dec. 16. The center has been hailed as the architectural commission of the century and the pièce de résistance of Meier's career.

Among his other landmarks are the Frankfurt Museum for Decorative Arts in Germany, Atlanta's High Museum, the Museum of Contemporary Art in Barcelona, The Hague's City Hall and Central Library, Canal Plus television headquarters in Paris, and the Smith House in Darien, Connecticut, which made him famous in 1965 at the age of 31.

Meier's creations animate the landscape with a classical elegance rooted firmly in the modernist tradition of Le Corbusier and Mies van der Rohe, and expressed in his trademark grid-based designs, bold geometries, light-infused spaces and glass and white metal-paneled exteriors.

For Meier, 63, the Getty Center reflects a new direction. "My work has become more fluid, dynamic and curvilinear, more related to place than context," he says. "One of the most important features of the Getty is its integration with the landscape. By working with the natural topography of this vast, open site, the architecture forms a dialogue between the hilltop's curvilinear forms and the urban grid below; it evokes a sense of both contemplation and urbanity."

The use of rough cut travertine from a quarry near Tivoli, north of Rome, along with Meier's signature glass walls and metal panels, endows the complex with a materiality that his other buildings lack, while evoking a sense of permanence and a link with the past. Designed on an intimate scale as a series of interconnecting buildings with alternating enclosed and open spaces offering panoramic vistas, the Getty Center has been described by some critics as a contemporary version of Hadrian's Villa in Tivoli.

Meier, who sees architecture as part of an historical continuum, concedes his affinity for classical architecture, particularly the articulation of structure and quality of light captured in the work of Bernini and Borromini. "The important thing in a museum is the relationship between the viewer and the work of art," Meier says. "The best way to enhance that experience is by using diffused natural light, which focuses your perception."

The changing light of nature, Meier says, is best reflected by the color white, which stresses the underlying principles of his architecture — the relationships between horizontal and vertical, rough and smooth, opaque and transparent, man-made and natural.

Most of Meier's gleaming white buildings reconcile the past and present with a modernist sensibility that particularly appeals to Europeans.

"I think Europeans respond to the openness and transparency of my work, the concern with light, quality and the essence of things that seem to reflect our values now," says Meier, who has won more architectural commissions in Europe than any other U.S. architect. "Until recently, European buildings tended to be more enclosed. The openness is related to the freedom and wide open spaces associated with America."

Meier began altering Europe's skyline in 1979 with the Museum for Decorative Arts in Frankfurt, one of the first postwar buildings by a U.S. architect in Germany.

He is now working on two other museums. The Arp Museum in Rolandseck, Germany, set to open in 2000 on a site overlooking the Rhine River, will house the world's largest collection of art by the Alsatian sculptor Jean Arp and his wife, Sophie Taeuber-Arp.

Meier's Ara Pacis Museum Complex in Rome, a new home for the 13 B.C. sacrificial altar Ara Pacis and its related sculptural reliefs, will also open that year, along with his Church of the Year 2000, a parish church commissioned by the Vatican in a suburb of Rome.

DANA MICUCCI is a freelance journalist based in New York.

A Chinese Aesthetic Begins to Take Hold in U.S.

Continued from Page 9

good offices of Giuseppe Eskenazi.

Others released by Tsui at auction, such as those he let go on Sept. 18, tell a lot about a 20th-century Chinese collector's taste in objects from the distant past of his own culture. The unique bronze ritual vessel of the so-called Spring and Autumn period, probably cast around the 7th century B.C., is probably not the kind of object that most Westerners or, for that matter, Japanese collectors, might choose first. The extreme complexity of its design, in particular the rebus-like patterns on the sides, combined with the snarling fantasy of mythical beings, makes it well in tune with present-day Chinese taste. Sold for $387,500 to Eskenazi, this, too, is now ensconced in a U.S. collection, thus surreptitiously bringing American connoisseurship closer to the current Chinese aesthetic approach to the past.

But another bronze, a 9th century B.C. musical bell, was more than the Chinese themselves could resist, with its inscription that ties it in with one set of bells already in the National Palace Museum in Taipei. The bell went up to $134,500, paid by a Taiwanese bidder.

All this might not have happened were it not for the presence of another key Chinese figure on the New York scene, Theow-Huang Tow, director of the Chinese department at Christie's. Born in Singapore of Fujianese parentage, educated in the British tradition before getting a degree in art history and Eastern studies at Columbia University, Theow lived the life of a Western avant-garde painter for two years and then turned to the auction world. He is one of a growing number of Orientals straddling the two worlds.

It was through the vice chairman of Christie's Asia, Anthony Lin, also a Singaporean Chinese molded in the British tradition, and through Theow that Tsui was brought around to the idea of selling at Christie's after years of transactions with Sotheby's.

In them he found congenial partners. But there must have been more to it for the shrewd businessman than just feeling at home.

Like "James Watt" at the Met, Theow has been leaving an increasingly visible Chinese imprint on his surroundings. On the cover of the catalogue describing the "Fine Chinese Ceramics and Works of Art" from various owners sold on Sept. 18, immediately after the auction of Tsui's objects, Theow ran the detail of an imperial blue dragon painted on a jar of the Jiajing period (1522-1566) quintessentially suited to Chinese taste. It went to a Canadian collector from Toronto but the underbidder was C.C. Lai of Hong Kong who desisted as the jar climbed to $250,000.

The whole catalogue had a higher proportion of Chinese taste pieces than is usual. There were desirable scholar's objects, such as a soapstone seal with an inscription by Gao Qipei, an official who had connections to the court of Kangxi (1662-1722). That was bought by a Chinese collector based in Los Angeles.

Later, a large pale jade container in the form of a duck, probably carved in the early 19th century, was fought over by Hong Kong dealers. Lai paid $101,500 for it.

Not every Chinese taste piece goes to Chinese buyers. Western buyers are increasingly looking at certain pieces in the Chinese way. At Sotheby's on Sept. 23, 12 "month cups" of the Kangxi period with dainty floral decoration on one side and vertical bands of calligraphic ideograms on the other, had all that Chinese connoisseurs rave about. Yet, it was bought for a gigantic $706,500 by Eskenazi on behalf of a U.S. client.

The influence of Chinese taste is likely to spread. In October 1995, a Briton, Marcus Flacks and his wife Deborah, opened a gallery at 38 East 57th Street where they display Chinese furniture, scholar's objects and Buddhist sculpture. Flacks notes that 90 percent of their clients are American. Many, he adds, are collectors of modern and contemporary art attracted to the linear quality of Chinese furniture as they are to the abstract, sometimes surreal shapes of the scholar's natural rocks. Yet another area of the U.S. art world, and one with a highly visible profile, is being infiltrated by Chinese aesthetics.

SOUREN MELIKIAN is art editor of the International Herald Tribune.

Mirror Into Heart Of Medieval Prayer

Continued from Page 9

nunciation" by the Bedford master who painted it in Paris around 1430-35, the architectural setting of a Gothic chapel is meticulously rendered. In the small roundels inserted in the seething formal pattern decorating the margins, scenes related to Mary's life look like vignettes sketched on the streets. In one, Mary's parents, Joachim and Anne, dressed like French burghers, are dropping coins into a beggar's purse.

By the end of the 15th century, the Renaissance in full bloom took things one step further. A "Nativity" by the French illuminator Jean Bourdichon shows Mary and Joseph in a close-up view through an ornate Italianate window. They gaze at the cot as does the bull in this strange "cowshed." In the background, an ancient Roman type arched doorway opens onto a townscape in the distance.

On the facing page, thistles painted in trompe l'oeil high relief with a butterfly and a ladybird are loaded with symbolism, but their naturalistic rendition worthy of a botanist and entomologist points to an interest in nature rekindled by ancient writers.

This finds its strangest expression in a "Coronation of the Virgin" by Simon Marmion. Mary sits hands clasped in prayer next to Jesus as the Lord of the universe. Below, a choir of angels seems to be singing some hallelujah. Underneath this mystical vision, a red rose, a cherry, a cornflower and a minutely rendered fly compose a rebus spelling out a message that remains to be explained. But the naturalism of the detail could not be clearer.

The full-blown Renaissance touched the art of illuminated manuscripts a generation later. In "John on Patmos" painted around 1520 in a Paris "Book of Hours," the Italianate taste colors everything. The Florentine style marble columns framing the scene have gold (or gilded bronze?) mounts. Mary and the Infant Jesus stand riding in the air on the back of a seven-headed serpent, reminiscent of the monster slayed by Hercules in ancient Greek mythology. Here too, the precise meaning has yet to be explained. But, clearly, literature was overtaking piety.

For a while, "Books of Hours" were printed. Eventually, these too disappeared, a casualty of Reformation and Counter-Reformation which did away with the more intense forms of the cult of Mary.

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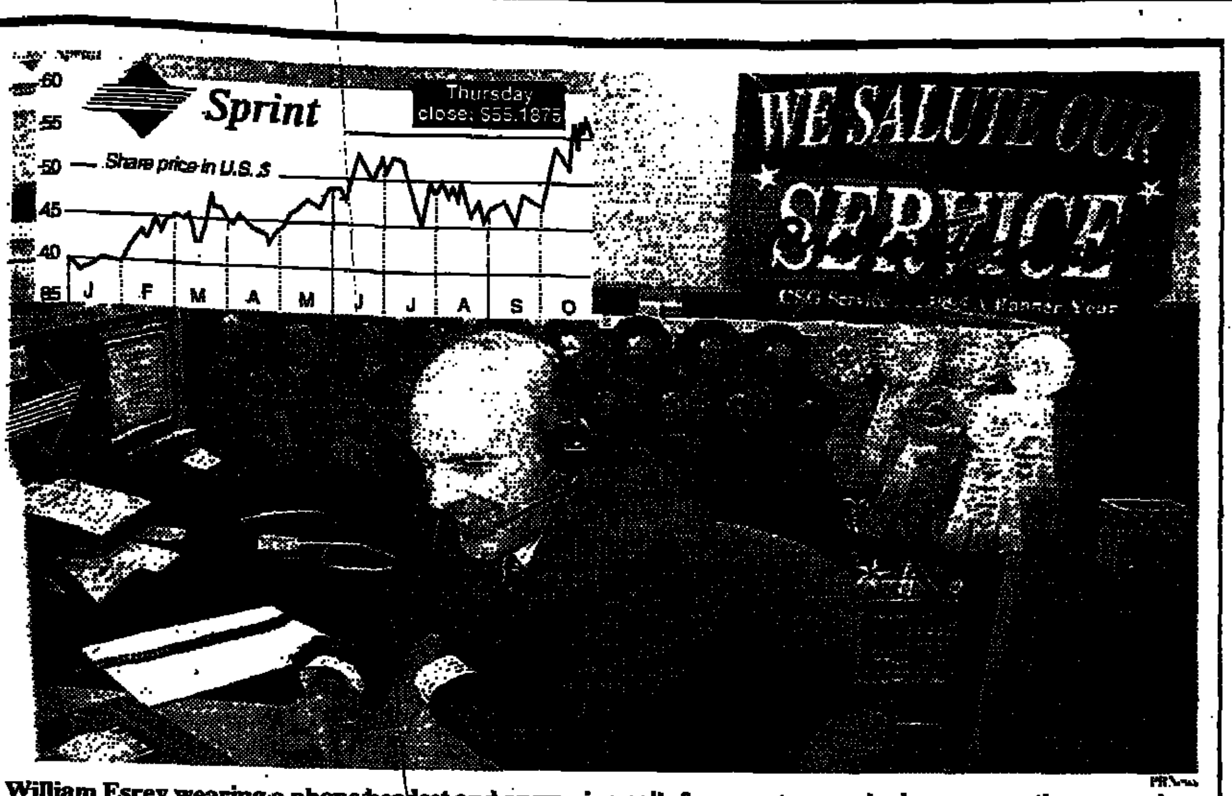
7	6¼	ACMSp	.57	8.9	…	378	6½	6⅜	6⅜	…
15	11½	ACMMD	1.26	9.1	…	230	14⅝	14⅛	14⅝	…
10½	9⅛	ACM MI	.90	8.9	…	198	10⅛	10	10⅛	…
14⅛	12⅜	ACMMu	.90	6.4	…	80	14⅛	14⅛	14⅛	…
24¾	14	ACNiels	…	…	45	882	24⅝	24	24⅝	…
27⅞	16¼	ACX Tech	…	…	74	367	27⅞	26⅞	27⅛	+⅛
49⅝	20⅛	AES Cp s	…	…	45	9706	44⅝	43⅝	44⅝	-⅝
73⅝	48	AES pfT	2.69	4.0	…	1641	68	66½	67⅛	-⅝
57⅞	37	AFLAC	.46	.9	18	4188	52¾	51½	52⅛	-⅛
36⅝	23⅞	AGCO	.04	.1	12	3459	31⅝	29⅞	30	-⅝
22	18⅛	AGL Res	1.08	5.8	13	550	19	18⅝	18⅝	-⅛
25⅝	25	AICI pfT	2.25	8.9	…	133	25½	25⅛	25⅛	…
19⅛	13¼	AJL	1.44	8.8	…	197	16½	16⅛	16⅛	…
48⅝	34⅝	AK Steel	1.00f	2.3	9	558	44⅛	43⅜	43⅞	+⅛
24¼	20⅝	AMLI Rs	1.72	7.3	19	324	23⅝	23⅜	23⅝	+⅛
123½	78¼	AMR	…	…	12	6594	119	117⅞	118⅞	+⅛
33⅜	18	APL Ltd	.40	1.2	33	1020	33	32⅝	32⅝	…
19⅝	9⅝	APT Sat n	…	…	…	277	18	17	17⅛	+⅛
51⅛	40⅝	ARCOCh	2.80	5.5	45	236	51⅝	50⅝	50⅝	+⅛
41	28⅝	ASA Ltd	1.20	4.3	…	2038	29⅝	28	28⅝	-1⅛
50⅝	30⅝	AT&T	1.32	2.6	18	78046	50⅝	49⅝	50⅝	+1⅛
29⅝	18¼	AVX Cp	.24	.8	20	3031	31⅛	29⅞	29⅞	-⅛
35⅛	28⅛	AXA UAP	.65p	…	…	282	34	32⅞	33⅛	-⅛
33½	10½	Aames s	.13	1.0	7	7328	13⅝	12⅝	13	+⅛
68¾	49⅝	AbtLab	1.08	1.8	23	9996	63⅛	61⅝	61⅝	-⅛
28	12½	AberFitch	…	…	42	1997	24⅛	22⅝	23⅛	+⅝
21	12⅝	Abitibi g	.40	…	…	1729	16⅛	15⅝	15⅝	-⅛
28⅝	17¼	Acptins	…	…	13	488	26⅝	26⅛	26⅛	…
32	15¼	AccuStf	…	…	32	6464	27⅛	26½	26⅝	+⅛
21¼	13	AcmeMt	…	…	…	196	14⅛	13¼	14⅛	+⅛
29⅝	18⅛	Acxiom	…	…	60	9581	21⅜	20⅛	20⅝	-⅛
25½	19⅛	AdaEx	1.72e	7.0	…	444	24⅝	24⅛	24½	-⅛
26½	13⅛	Adminstf	…	…	…	376	23	22⅛	22⅛	-⅛
24½	17⅛	AFPPrw	1.25e	6.9	…	112	18⅝	18⅛	18⅛	-⅛
48⅝	17	AMD	…	…	…	31028	27⅝	25⅛	26⅝	-1⅛
27½	9	Advest	.12	.5	18	172	25⅛	24⅝	24⅝	-⅝
22⅝	11	Advotec	…	…	20	592	22⅛	21⅝	22	…
12⅝	5⅝	Advocat	…	…	10	221	10⅛	10⅛	10⅛	-⅛
87⅝	51⅛	Aegon	1.52e	1.9	18	180	79⅞	78	78	-⅛
12⅝	3⅝	Aeroflex	…	…	33	937	11⅝	11⅛	11⅛	-⅛
57⅝	30⅝	AeroVick	.80	1.4	17	1093	56⅛	55⅛	55⅝	+⅝
27⅝	26⅛	AetnaC pf	2.37	8.8	…	104	27⅛	27	27	…
118⅝	60⅝	Aetna Inc	.80	1.1	23	11589	77	75	75⅝	-⅝
104	65⅝	Aetna pfC	4.76	6.3	…	446	76⅝	75⅝	75⅝	-⅝
32	19½	AffCmpS s	…	…	23	835	25⅛	25⅝	25⅛	…
20⅛	11½	AgSvcs	…	…	22	282	19⅛	17⅝	18⅝	…
15⅛	8	Agnico g	.10e	1.2	…	1104	8⅝	8⅛	8⅝	-⅝
22⅝	18⅛	AgreeRt	1.84f	8.8	14	94	21⅛	20⅝	20⅝	-⅛
15⅞	10⅛	Agrium g	.11	.9	…	6185	12⅝	11⅝	11⅝	+⅛
61⅝	29⅞	Ahmans	.88	1.5	16	6181	61	60⅝	60⅝	+⅝
126½	63⅝	Ahsn pfD	3.00	2.4	…	79	125½	124	124	+1
32	19¾	Ahold s	.32e	1.2	25	368	26⅞	26⅛	26⅛	+⅛
89⅛	58⅝	AirProd	1.20	1.6	19	6406	78⅝	74⅝	75	-2⅝
68⅝	19½	AirFrt	.30	.5	23	2329	65	62⅝	62⅝	-⅝
27⅛	13⅛	Airgas	…	…	45	1341	16⅝	16⅛	16⅛	+⅛
17⅝	9⅛	Airlease	1.80a	13.8	8	234	13⅝	12⅝	13	+⅛
40⅝	22	AirTouch	…	…	64	32529	41⅛	39⅝	39⅝	-⅝
[illegible]										

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
46⅝	29	BeacnPr	2.08f	4.8	25	692	41⅞	41⅝	41⅝	+⅝
46⅝	21⅞	BearSt	.60b	1.5	9	3130	42⅝	41⅝	41⅝	-1⅛
52⅝	35	Bckins	.60	1.4	15	521	42⅝	41⅝	41⅝	-⅛
55⅝	37	BectDk	.52	1.1	21	4312	49⅝	46⅝	47⅝	+⅛
22⅝	14⅛	BedBthP	1.20f	5.6	16	443	21⅝	21⅛	21⅛	+⅛
25⅝	8⅝	BellVan n	…	…	…	2858	12⅛	11⅛	11⅛	+⅛
27⅝	18⅛	Belco	…	…	15	573	22⅛	21⅝	22⅛	+⅛
39⅝	28⅛	Belden	.20	.6	16	1585	35⅛	34⅝	35⅛	+⅝
33¼	19⅛	BellHwl	…	…	19	605	29⅝	29⅛	29⅛	…
85⅛	54⅝	BellAtl	3.08f	3.8	27	20617	84	80⅝	82	-⅛
20	13⅛	BellInd s	…	…	14	150	17⅛	17⅛	17⅛	-⅛
49⅝	36⅛	BellSo	1.44	2.9	18	12223	49⅝	48	48⅝	+⅝
51⅛	33⅛	BeloAH	.44	.9	25	3542	51⅝	49	49	-2
42⅝	33⅝	Bemis	.80	2.1	20	2090	40⅛	38⅝	38⅝	-1⅛
30⅛	12⅛	BenchE s	…	…	24	159	29⅛	27⅝	27⅝	-1⅛
82⅛	57⅛	BenefCp	2.28f	2.9	15	2587	80⅛	78⅝	78⅝	-⅝
[illegible]										

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
31⅞	25⅛	ColonPT	2.08	7.2	18	540	29⅛	29	29⅛	-⅛
24	16⅛	Coltec	…	…	16	1869	22⅝	22	22½	-⅛
76⅝	56	ColumGas	1.00	1.3	16	1407	76⅝	74⅝	76⅝	+1⅛
44⅝	26⅝	ColHCA	.08	.3	12	20846	29⅛	28⅝	28⅝	-⅝
24⅛	19⅛	ColemRT	1.58a	6.7	25	219	24	23⅝	23⅝	-⅛
[illegible]										

Continued on Page 18



William Esrey wearing a phone headset and answering calls from customers during a promotion campaign.

Stable Sprint Keeps Ringing the Bell

Its Stock, Up 40% This Year, Outperforms Those of Most of Its Rivals

By Seth Schiesel
New York Times Service

NEW YORK — As his competitors anoint new chieftains and approach a deal-making frenzy, William Esrey is smiling.

Mr. Esrey's company, Sprint Corp., does not seem to fit the image of a big-time telecommunications carrier these days. Sprint has not attempted any blockbuster acquisitions recently. Its management, led by Mr. Esrey, the chairman, seems stable. The company has not announced any big unexpected losses of late.

Just about all Sprint has done this year is have its stock outperform almost every other large telecommunications carrier, increasing by more than 40 percent since Jan. 1. It closed Friday at $56.125, up 25 cents, on the New York Stock Exchange.

None of the Bell companies has come close. AT&T Corp., which appointed C. Michael Armstrong, architect of the Hughes Electronics renaissance, to its top jobs this week, has posted an 18.9 percent gain. Shares of MCI Communications Corp., target of three suitors, have increased by 15.4 percent. WorldCom Inc., darling of Wall Street analysts and the stock that stirred the MCI cocktail, has posted a 30.5 percent gain.

A reason for Sprint's success, and a reason investment bankers would love to get the company sold, is that it may now come closest to offering that vaunted bundle of telecommunications services that has become the goal of almost every large communications company: local and long-distance telephone service, Internet access, wireless communications and a respectable international presence.

"What we have done over the past five years is try to position our company for what we thought you need to be successful in the future," Mr. Esrey said in an interview this week. "If you look at the deal excitement, it seems to be people trying to assemble capabilities similar to what we already have.

"And we obviously think they are doing the right thing. They are spending tens of billions of dollars to get assembled what we have done more methodically over the last several years."

Since the passage of the Telecommunications Act of 1996, regulators, consumer advocates and executives have been looking forward to a day when average Americans can receive all the sorts of communications they desire from a single company. The theory has been that buying such a bundle would serve consumers and that selling it would become a competitive necessity for the providers.

Less obvious has been the financial advantage that accrues to a telecommunications company with a broad product line even when it does not offer every service in every geographic area.

While Sprint is well known as the No. 3 long-distance company, few average investors realize that Sprint is also the nation's seventh-largest local telephone company, serving about 7.4 million lines.

And while Sprint's profile around the country is built on its long-distance franchise, its balance sheet is built on its underappreciated local business, which operates in 19 states.

Through the first nine months of this year, Sprint's local operations, a legacy of the company's days as United Telecom, generated 36.2 percent of its revenue but 58.9 percent of operating income.

Sprint's long-distance business managed only an 11.8 percent operating margin through the third quarter of this year as the company spent $1.5 billion, or 22 percent of revenue, on selling, general and administrative costs. By contrast, Sprint's local operations had a 27.1 percent operating margin.

The profits have helped Sprint invest billions in an t extensive national wireless communications network, using a new technology called personal communications services.

The steady earnings from local operations have also helped Sprint absorb losses involved in ramping up its international alliance with Deutsche Telekom and France Telecom.

Perhaps most important, Sprint's local business has allowed the company to defer attempts to invade markets controlled by the regional Bells.

Chip Jitters Halt Wall Street Rally

U.S. and European Rebound From Hong Kong Rout Falters

Compiled by Our Staff From Dispatches

NEW YORK — U.S. stocks fell for a second day Friday amid concern that slowing economies in Asia would hurt semiconductor companies' earnings. Texas Instruments, Applied Materials and KLA-Tencor paced the retreat.

The Dow Jones Industrial Average closed down 132.36 points at 7,715.41 after having shown a gain of as much as 88.84 points early in the day.

The Nasdaq composite index, which is filled with computer-related shares, closed with a loss of 20.33 points at 1,650.92.

Investors said they were worried about plunging Asian stocks and currencies as well as Intel's decision to postpone opening its $1.3 billion Texas semiconductor plant by one year because of flagging demand for some of its chips.

"Intel's announcement today adds to concern that business is a little slower than expected," said Graham Tanaka, chief executive of Tanaka Capital Management.

The drop came a day after a 10.4 percent decline in Hong Kong's benchmark index set off convulsions throughout global stock markets. The decline in what had been considered Asia's safest market fed speculation that a slowdown in Asian economies would damp demand for U.S. products abroad.

Major European exchanges were able to claw back some of their Thursday losses in early trading, but the French and British markets faltered later in the day.

The FT-SE 100 index in London closed 21.30 points lower at 4,970.20, and the CAC 40 index in Paris eased 7.84 points to 2,849.03. The DAX index in Frankfurt rose 73.61 points to close at 4,050.87.

While Hong Kong stocks rebounded from a sharp decline, investors remained concerned that rising interest rates in the region would dampen growth and erode sales of U.S. products there.

"We'll see a little slower growth overall worldwide as demand cools in the Pacific Rim," said John Dale, a money manager at Peregrine Capital Management. "That could hurt earnings here for some companies."

The drop in computer shares on Wall Street was accelerated by a downgrade on Applied Materials' stock after a change in investment recommendation by UBS Securities. The company fell 4 to 33.

"UBS pulled the plug on them," said Robert Kahan, senior managing director of equity trading at Nationsbanc Montgomery Securities Inc. in San Francisco.

Among the biggest gainers on the day was Avon Products, which surged after the cosmetics company said it would offer fewer discounts and reduce the number of products it made and the number of suppliers it used. The moves are in-

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Panic Sends South Korea Reeling

Standard & Poor's Cuts Rating in Response to Kia Bailout

By Velisarios Kattoulas
International Herald Tribune

SEOUL — The slow collapse into bankruptcy of one of South Korea's leading conglomerates claimed new casualties Friday as the nation's currency plunged and share prices took their biggest single-day drop in history following a downgrading by Standard & Poor's Corp.

The downgrading of South Korea's foreign-currency debt by Standard & Poor's followed Seoul's decision this week to bail out a unit of the Kia Group, South Korea's eighth-largest *chaebol*, or conglomerate.

Citing the heavy cost of government support for the country's troubled finance and corporate sectors, the American credit-rating agency lowered South Korea's long- and short-term foreign-currency ratings.

A foreign exodus from the stock market after the downgrading led to panic selling, analysts and traders said, pushing the won, the country's currency, down to its lowest-ever level against the U.S. dollar.

The Kia Group effectively went bankrupt this summer with debts of $10 billion, and it had been in limbo ever since.

To end an impasse over its future, the government this week announced the biggest corporate bail-out in Korean history, saying it would nationalize Kia's flagship company, Kia Motors Corp., to save it from collapse.

The Kia Group is but one of many symbols of South Korea's current financial plight, economists and analysts said. Yet the nation's dilemma actually runs deeper than such visible symbols, or others such as faltering financial markets, battered banks, and moribund manufacturing companies.

At the heart of a nation once viewed as Asia's most dynamic economy, they said, is the dogged refusal of large portions of South Korean society to accept the death of state capitalism and face up to the uncertainties of the free market.

Kia management and workers and a major labor union were outraged by the bailout, but for far different reasons than Standard & Poor's gave. Afraid it was the prelude to a hostile takeover, Kia managers refused to resign. Some 30,000 Kia employees went on strike, and a militant trade union representing 550,000 workers threatened nationwide strikes next month.

Why the hostility to takeovers of weak, badly-run companies on the brink of closure? Because workers here refuse to accept that strong companies prosper and survive, while weak ones shrink, merge, or disappear. In short, individual workers expect the government to keep companies afloat, no matter how many jobs are put at risk resisting market forces.

What happens next at Kia is far from clear. But local press reports suggest the government would like the Samsung

See WON, Page 15

ECONOMIC SCENE

Monetary Union Removes Policy Tools

By Paul Lewis
New York Times Service

Less than 15 months from the planned creation of a single European currency, the Continent's central bankers have sent a sobering message to its politicians: You can no longer use monetary policy to cushion economic shocks that are of your own making. Whether the politicians will take the hint, however, is another question altogether.

The point the Bundesbank was making two weeks ago in leading a round of interest-rate increases in the core countries of the planned European monetary union was that governments cannot count on reduced rates to help spur growth and cut unemployment.

With reduced influence on credit policy, politicians will have to undertake fundamental changes if they want to create the flexible labor markets that would allow their nations to better compete internationally, the central bankers seemed to be saying. That will require the courage to initiate unpopular moves such as making it easier for employers to lay off workers, keeping a ceiling on minimum wages and removing obstacles to part-time work and flexible working hours.

The interest-rate increases "showed the politicians there are no easy ways out anymore," said Robert Hormats, deputy chairman of Goldman Sachs International. "They can't bet on lower interest rates, they can't devalue, and they can't raise spending."

The Bundesbank's increase in the securities-repurchase rate, a key money-market rate, to 3.3 percent from 3 percent was small but symbolic. France, Belgium, the Netherlands, Austria and Denmark quickly followed suit.

The concerted action was a stark reminder to politicians that once the euro is born on Jan. 1, 1999, they will have to live with a "one-size-fits-all" monetary policy set by an independent European central bank in Frankfurt.

They will no longer be able to use interest rates to influence the performances of their national economies. Nor will they be able to do much to stimulate job growth by cutting taxes or increasing spending. That is because, with few exceptions, they will have had to struggle to meet the strict economic criteria for joining the currency union and will have to continue such efforts to keep their budget deficits at 3 percent or less of gross national product.

It is still uncertain whether Italy will qualify to join, even though it has come through its recent budget and government crisis. But at this stage, only Greece has been ruled out as a candidate because it will miss fiscal benchmarks by too wide a margin.

Among the rest of the 15 European Union countries, Denmark and Sweden are expected to opt out of the euro at least initially, and British officials have signaled that they are unlikely to seek entry until at least 2002.

The German central bankers defended their interest-rate move this month on economic grounds, citing fear of rising inflation. But many economists suspect they also wanted to stiffen the will of the future European central bank to uphold a strong euro.

Lisa Kaess of Geoffrey Bell & Co., a New York financial advisory firm, said

See RATES, Page 15

Fear of Swiss Sale Batters Gold Price

Compiled by Our Staff From Dispatches

BERN — Gold prices plunged Friday to a 12-year low after a committee set up by the Swiss government said Switzerland could do without as much as 1,400 tons of its gold reserves.

The report heightened concerns among gold traders and investors that central banks around the world could unleash a further wave of gold sales. The Australian central bank's announcement in July of sales of two-thirds of its gold reserves, which was just 167 tons, drove gold as low as $315.15 an ounce.

In New York, gold for December delivery plunged 5 percent, or $16.10, to $308.60 an ounce on the Comex division of the New York Mercantile Exchange, the lowest since 1985.

But the Swiss government's reaffirmation that it planned only to revalue about 400 tons of the central bank's 2,590 tons of gold, mainly to finance a planned 7 billion-Swiss franc ($4.8 billion) Solidarity Foundation, failed to calm investors.

Analysts said the committee's recommendation was enough to undermine sentiment toward gold even though changes in the Swiss Constitution, discussion at government level and a referendum would be needed before sales could begin in 1999.

"What this could do now is serve to keep the market in the doldrums for the next 18 months," one analyst said of the Swiss proposal. "It will also spark the other central banks to thinking, 'Well, if the Swiss are going to do this in 1999, we'd better get moving now.'"

Dennis Woolley, an analyst at the Johannesburg-based securities house Huysamer Stals Inc., said: "Comments like this will absolutely kill the gold price. There is no feeling for gold at the moment, and this is all that it needed."

Gold prices have also been hit by sagging demand for the precious metal in Southeast Asia because of the recent declines in the region's currencies and stock markets.

A slide in currencies such as the Thai baht, the Malaysian ringgit and the Indonesian rupiah has made gold, priced in U.S. dollars, more expensive for consumers in those countries. Lower stock prices have also forced some investors to sell other assets, such as gold, to cover their losses.

The Swiss National Bank's gold reserves by law have been valued at 4,595 francs a kilogram — currently around $90 an ounce — for decades, effectively making it impossible for the national bank to sell any of the reserves.

The Swiss government's committee also said the country should do away with the gold standard, which is still part of its 1848 constitution but no longer is adhered to.

The committee, which included the head of the Swiss Treasury, suggested the central bank transfer some of its gold holdings to the government and to Switzerland's 26 cantons — the Swiss National Bank's main shareholders — who could then "gradually" sell the gold on the market.

(Bloomberg, Reuters)

Loral Space's Bid Leads

Bloomberg News

MEXICO CITY — Loral Space & Communications Ltd., in partnership with the Mexican telecommunications company Telefonica Autrey SA, offered 4.29 billion pesos ($555.9 million) to buy a 60 percent stake in the satellite company Satelites Mexicanos SA.

Loral Space, a New York-based satellite service company, and Telefonica Autrey have not been declared the official winners, but they are expected to win the auction because they bid higher than the government's minimum price of 3 billion pesos. Their two rivals, ControlSat and PanAmSat Corp., dropped out of the bidding, the government said Friday.

The three parties submitted sealed bids Oct. 14.

The winning bidder has an option to increase its stake in Satmex to 75 percent.

If it does so, the government estimates, the sale would generate $692 million.

CURRENCY & INTEREST RATES

Cross Rates

Oct. 24

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	2.0045	3.277	1.1268	0.3363	0.1155*	—	5.465*	1.3608	1.6548*	1.442	1.3306*
Brussels	36.595	60.02	20.6175	6.154	2.1113*	18.258	—	24.65	0.3005	26.33	2.459*
Frankfurt	1.7855	2.9113	—	0.2985	0.1025*	0.8875	4.8594*	1.2082	1.4637*	1.2812	1.186*
London (a)	1.6341	—	2.9058	9.7356	2,825.58	3.2740	59.9661	2.4037	198.125	2.2749	245.8006
Madrid	150.251	245.946	84.716	25.165	8.639*	74.83	4.0886	101.422	123.582*	107.946	—
Milan	1,736.78	2,836.50	976.05	291.20	—	866.70	47.299	1,178.60	14.28	1,248.80	11.597
New York (b)	—	1.6335a	1.777	5.9545	1,734.00	1.9985	36.63	1.465	121.965	1.3918	150.20
Paris	5.9186	9.7725	3.3305	—	0.3403*	2.9736	0.1625	4.0402	4.9181*	4.2883	3.9725*
Tokyo	122.10	199.22	68.99	20.59	0.706	61.23	3.347	83.30	—	87.86	0.8288
Toronto	1.3918	2.2734	0.7832	0.2337	0.0803*	0.6954	0.38*	0.95	1.1422*	—	0.886*
Zurich	1.4498	2.4032	0.8279	0.247	0.0848*	0.7240	4.0027*	—	1.2087*	1.056	0.9886*
1 ECU	1.1076	0.6766	1.9737	6.613	1,926.24	2.2239	40.493	1.6368	134.683	1.5481	166.07
1 SDR	1.3637	0.8347	2.4282	8.1422	2,371.47	2.7382	49.9566	2.0057	165.53	1.8859	204.983

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York and Toronto rates at 4 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Libid-Libor Rates

Oct. 24

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5½ - 5⅝	3¼ - 3⅜	1⅝ - 1¾	7 - 7⅛	3½ - 3⅝	7/16 - ½	4⅜ - 4½
3-month	5¾ - 5⅞	3⅝ - 3¾	2⅛ - 2¼	7⅜ - 7½	3⅝ - 3¾	⅜ - ½	4½ - 4⅝
6-month	5¾ - 5⅞	3⅝ - 3¾	2⅛ - 2¼	7⅜ - 7½	3¾ - 3⅞	⅜ - ½	4½ - 4⅝
1-year	5⅞ - 6	4 - 4⅛	2¼ - 2⅜	7½ - 7⅝	4 - 4⅛	½ - ⅝	4⅝ - 4¾

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds	5⅝	5⅝
90-day CDs dealers	5.70	5.69
180-day CP dealers	5.55	5.54
3-month Treasury bill	5.02	4.99
1-year Treasury bill	5.16	5.19
2-year Treasury bill	5.75	5.76
5-year Treasury note	5.90	5.94
7-year Treasury note	5.94	5.97
10-year Treasury note	5.99	6.02
30-year Treasury bond	6.28	6.32
Merrill Lynch 30-day RA	5.09	5.09
Japan		
Discount rate	0.50	0.50
Call money	0.49	0.43
1-month interbank	0.46	0.46
3-month interbank	0.47	0.47
6-month interbank	0.50	0.50
10-year Gov't bond	1.90	1.91
Germany		
Lombard rate	4.50	4.50
Call money	3.45	3.45
1-month interbank	3.53	3.53
3-month interbank	3.70	3.70
6-month interbank	3.90	3.92
10-year Bond	5.82	5.81
Britain		
Bank base rate	7.00	7.00
Call money	7⅛	7⅛
1-month interbank	7⅛	7⅛
3-month interbank	7¼	7¼
6-month interbank	7⅜	7⅜
10-year Gilt	6.54	6.55
France		
Intervention rate	3.30	3.30
Call money	3⅛	3⅛
1-month interbank	3⅜	3⅜
3-month interbank	3⅝	3⅝
6-month interbank	3¾	3¾
10-year OAT	5.65	5.71

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	N.A.	316.40	—6.20
London	321.90	316.65	—7.65
New York	324.50	308.60	—16.10

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.

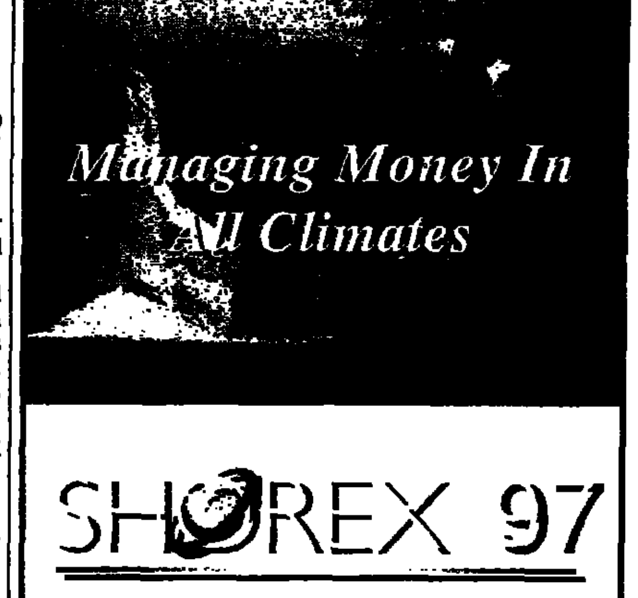
Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9986	Greek drac.	279.83	Mex. peso	7.792	S. Afr. rand	4.721
Australian $	1.4225	Hong Kong $	7.7350	N. Zealand $	1.6036	S. Kor. won	929.30
Austrian sch.	12.55	Hung. forint	198.74	Norw. krone	7.1618	Swed. krona	7.6269
Brazil real	1.1006	Indian rupee	36.225	Phil. peso	34.75	Taiwan $	30.36
Chinese yuan	8.3136	Indo. rupiah	3590.0	Polish zloty	3.41	Thai baht	38.00
Czech koruna	33.21	Irish £	0.6831	Port. escudo	181.41	Turkish lira	181505.
Danish krone	6.7875	Israeli shek.	3.5325	Russ ruble	5880.0	UAE dirham	3.672
Egypt. pound	3.3993	Kuw. dinar	0.3015	Saudi riyal	3.75	Venez. boliv.	498.75
Fin. markka	5.3337	Malay. ring.	3.392	Sing. $	1.585		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6338	1.6317	1.6298	Japanese yen	121.00	120.47	119.93
Canadian dollar	1.3890	1.3867	1.3846	Swiss franc	1.4772	1.4759	1.4744
Deutsche mark	1.7808	1.7777	1.7748				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).



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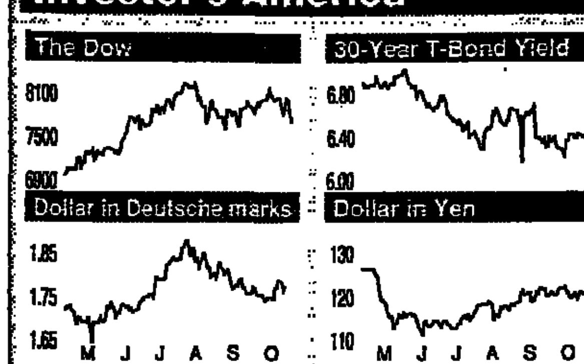


Exchange	Index	Friday @4PM	Prev. Close	% Change
NYSE	The Dow	7715.41	7847.77	-1.69
NYSE	S&P 500	941.64	950.69	-0.95
NYSE	S&P 100	896.59	908.52	-1.31
NYSE	Composite	495.77	499.49	-0.74
U.S.	Nasdaq Composite	1650.92	1671.25	-1.22
AMEX	Market Value	701.18	703.39	-0.31
Toronto	TSE Index	7033.58	7073.80	-0.57
São Paulo	Bovespa	11545.27	11889.31	-2.98
Mexico City	Bolsa	4918.36	5013.98	-1.91
Buenos Aires	Merval	785.83	821.29	-4.32
Santiago	IPSA General	5139.59	5175.59	-0.70
Caracas	Capital General	10300.68	10512.58	-2.02

Source: Bloomberg, Reuters. International Herald Tribune

Very briefly:

• ***Pioneer Hi-Bred International Inc.*** agreed to buy back 16.4 million shares, or 20 percent of its total outstanding, for $92.50 to $94 a share in a Dutch auction. The sale was part of a transaction announced in August under which **DuPont Co.** agreed to acquire a 20 percent stake of the supplier of seeds and genetically engineered agricultural products for $1.7 billion, or $104 a share.

• **Robert Citron,** the former Orange County, California, treasurer at the center of the county's $1.64 billion bankruptcy in December 1994, the biggest in the United States, has earned an early exit from his work-release program because of good behavior. He served two-thirds of a year's sentence for fraud.

• **FelCor Suite Hotels Inc.,** which owns 71 hotels, including Embassy Suites and Doubletree Guest Suites, expects to buy up to $400 million of high-end hotel properties in 1998.

• ***Crompton & Knowles Corp.*** *said it took a third-quarter* charge of $6.9 million to eliminate 100 jobs, or about 1.8 percent of its work force, as part of ongoing cuts by the chemical and additive company. *AP, Bloomberg*

Intel Delays New Plant in Texas

Bloomberg News

SANTA CLARA, California — Intel Corp. said Friday that it was postponing the opening of a $1.3 billion semiconductor plant in Texas by a year because of lagging demand for memory chips.

Intel now plans to open the plant in 2000, not 1999, said Howard High, a spokesman.

Mr. High attributed the delay to slack demand for flash-memory chips. Intel disclosed the problem in its third-quarter earnings announcement this week. Intel will shift production at an Israeli plant from memory to logic chips, which are in higher demand. That means it will not need the Fort Worth logic-chip plant as soon as planned, he said.

Boeing Confirms Its Loss: $696 Million

Compiled by Our Staff From Dispatches

SEATTLE — Boeing Co., the world's biggest aircraft maker, said Friday it had a loss of $696 million in the third quarter after it took a $1 billion charge to cover assembly-line problems as it tries to build record numbers of planes.

The company warned Wall Street earlier in the week that it expected the loss, which was only its third quarterly loss in the last 25 years, because of production problems.

The loss amounted to 72 cents a share for the July-September period. Boeing earned $466 million, or 48 cents a share, in the same period a year ago.

"They're operating inefficiently," said Bill Whitlow, a portfolio manager with Safeco Northwest Fund.

"Costs are higher. Overtime is higher. They're not getting the manufacturing efficiencies people thought they would get." Boeing's shares fell 62.5 cents to close at $48.4375 in New York trading.

Despite the loss, revenue in the third quarter rose to $11.4 billion from $9 billion a year earlier.

The results reflected combined operations from the merger of Boeing and McDonnell Douglas, which took effect Aug. 1.

Boeing blamed late aircraft deliveries, snarled assembly lines and shortages of parts and skilled labor for the shortfall.

The company's chairman, Phil Condit, said two days ago that problems resulting from the production increases required to meet booming demand from airlines would cost Boeing $2.6 billion over the next year. Of that total, $1.6 billion was written off in the third quarter.

Mr. Condit said he knew what was ahead a year ago when Boeing began raising production rates and that the company would have made the "same fundamental decision" because of strong customer demand for new planes."

Two weeks ago, Boeing announced that production of its 747-400 jumbo jets would be halted for a month and production of its 737 airliner would be slowed to try to eliminate problems caused by trying to more than double the overall aircraft production rate.

It said decisions regarding restructuring, production and marketing plans for the division's commercial aircraft programs were expected to be made before the end of the year.

For the first nine months, profit fell to $320 million from $1.4 billion, while sales rose to $34.1 billion from $25.5 billion. *(AP, Bloomberg)*

Starwood Profit Soars on New Hotels

Bloomberg News

PHOENIX — Starwood Lodging Trust said Friday that third-quarter earnings almost doubled on hotel acquisitions and high room rates.

The hotel real-estate investment trust said funds from operations, defined as net income plus amortization and depreciation, rose 93 percent, to $48.8 million. The company, which agreed this week to buy ITT Corp. for $13.3 billion, said revenue rose 94 percent to $236.9 million.

The company said it bought interests in 20 properties for about $720 million. In the quarter, the average daily rate for a room among its hotels rose 9.5 percent to $101.26.

Brokers Rebel and Bolt American Express Unit

The Associated Press

DETROIT — Eighty top managers and brokers at the office here of American Express Financial Advisors Inc. have quit and formed their own investment firm after a disagreement with corporate executives.

The workers who revolted Thursday included John Hantz, the group vice president in charge of the local office. They said corporate executives had balked at giving the unit more control over what investment products to offer clients.

"We need a loosening of constraints," Mr. Hantz, an 11-year American Express veteran, told The Detroit News in a report published Friday. "The market is changing, and we need to change faster."

Except for mutual funds, the company's financial planners may sell only American Express investment products, such as insurance and annuities.

Mr. Hantz and his camp wanted to offer other brand-name investment products.

Hantz & Associates, the company formed by the rebellious workers, has set up business in seven of the 15 Detroit-area American Express offices because those leases were personal rather than corporate.

American Express Financial executives refused to comment Friday on the substance of the dispute. But a spokeswoman, Lynn Closway, said the company would not abandon the operation.

"We're taking all the necessary steps to keep the confidence of our clients and assuring them there will be a seamless transition," Ms. Closway said from the company's headquarters in Minneapolis.

The division generates $1.2 billion in annual revenue, the most of American Express's 45 groups in the country. Its 350 employees served clients in the Detroit area and Toledo, Ohio.

MARKETS: *Concern Over Asia's Effect on Chipmakers' Earnings Halts Rally*

Continued from Page 13

tended to save as much as $400 million a year by 2000.

Among the major losses in the computer sector, KLA-Tencor fell 5⅞ to 82⅜, and Texas Instruments tumbled 9⅜ to 111½, while Intel was 1 15/16 lower at 80.

Banks gained amid optimism that demand for loans will accelerate, and lending money will become more profitable. Citicorp, Chase Manhattan and NationsBank were all firmer.

And while investors showed some disdain for stocks, they took a liking to a couple of the newest ones on sale. ITC DeltaCom Inc. rallied after the provider of retail long distance services to businesses sold 5 million shares in an initial public offering.

Fresh Del Monte Produce rallied 1 5/16 to 50¾ in its first day of trading on growing optimism about the produce distributor's turnaround potential.

More mergers and acquisitions also buoyed share prices. Universal Outdoor Holdings rose after Clear Channel Communications agreed to buy the company for about $1.7 billion in stock and debt.

Bond prices rallied for a second day, helping to keep stocks from falling further. The yield on the benchmark 30-year Treasury bond fell to 6.28 percent from 6.31 percent as the price rose 14/32 to 101 10/32.

A silver lining to Asia's woes is the increasing likelihood that sluggish economies in the region will prevent inflation from seeping into the United States. If U.S. companies are not booming as a result of tepid demand for their products, shortages of goods and services probably will not occur to fan inflation.

The Dow Jones Utilities Average, seen as an indicator of investors' expectations for interest rates, rose 0.99, or 0.4 percent, to 246.07. Utilities' big dividends are more attractive when interest rates are low.

With bond market yields hovering at two-week lows, speculation continued that the turmoil in Asian markets may keep the Federal Reserve from raising interest rates soon, and as U.S. stocks fell.

"The events in the Far East this week seem to create a very widespread feeling that the Fed is out of the picture now," said Ben Mayer, who manages fixed-income assets at AMR Investments in Fort Worth, Texas.

Slower growth in Asia may reduce demand for U.S. exports, slowing U.S. growth from what Fed Chairman Alan Greenspan recently described as an "unsustainable" pace.

At the same time, the devaluation of Asian currencies will restrain U.S. inflation by making imports cheaper.

That may be enough to tip the balance and keep the Fed from boosting rates, traders said.

Bonds posted their biggest gains in five weeks Thursday after the plunge in Hong Kong stocks.

Even so, "we've been running into overseas buyers who aren't convinced this is over," said Jim Madelmayer, a government bond trader at Dresdner Kleinwort Benson NA. "There is still some flight to quality." *(Bloomberg, AP)*

Mark Falls As Fears of Rate Rise Subside

Compiled by Our Staff From Dispatches

NEW YORK — The dollar rose against the Deutsche mark Friday as falling prices and comments from Bundesbank officials suggested German interest rates would not rise again soon.

In late trading, the dollar rose to 1.7770 DM from 1.7673 DM on Thursday, and it edged up to 121.945 yen from 121.930 yen.

Franz-Christoph Zeitler, a Bundesbank council member, damped expectations that German rates would be raised to bring them closer in line with higher rates elsewhere in Europe.

Meanwhile, the central bank's chief economist, Otmar Issing, said he saw no inflation "surprises" in the next few months.

Falling consumer and import prices also reinforced the view that Germany's economy was not growing rapidly enough to warrant further interest-rate increases after rates were lifted this month for the first time in five years.

"What's holding the mark down is the fact that the rate move by the Bundesbank is inexplicable when you look at economic data," said Neil Parker, economist at Royal Bank of Scotland. "The markets are now scaling back their views of whether rates are going up in the next few months. On a purely fundamental basis, there shouldn't be any more rate hikes."

A rebound in Hong Kong shares Friday, after a plunge Thursday, eased concerns that Japan's economy would suffer from turmoil in the rest of Asia and lifted the yen.

Against other major currencies, the dollar rose to 5.9545 French francs from 5.9208 francs and to 1.4650 Swiss francs from 1.4640 francs. The pound was quoted at $1.6335, up from $1.6327. *(Bloomberg, AP)*

FOREIGN EXCHANGE

AMEX

Friday's 4 P.M. Close

The 300 most traded stocks of the day, up to the closing on Wall Street.

The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7944.03	7939.61	7695.51	7715.41	-132.36
Trans	3307.56	3317.15	3238.97	3239.14	-53.49
Util	245.79	247.27	244.81	246.56	+1.48
Comp	2582.49	2582.62	2523.33	2527.00	-33.86

Standard & Poors

	High	Low	Previous Close	Today 4 P.M.
Industrials	1128.51	1099.53	1107.40	1095.37
Transp.	713.10	695.93	699.55	693.80
Utilities	211.05	208.07	208.25	209.10
Finance	116.12	113.25	114.06	113.41
SP 500	968.49	944.16	950.69	941.64
SP 100	928.23	902.54	908.52	896.59

NYSE

	High	Low	Last	Chg.
Composite	504.15	494.22	495.77	-3.72
Industrials	631.47	618.19	619.31	-5.81
Transp.	476.72	470.18	470.90	-1.99
Utility	306.06	300.71	303.13	-0.73
Finance	480.59	473.34	474.97	-1.77

Nasdaq

	High	Low	Last	Chg.
Composite	1690.77	1643.10	1650.92	-20.33
Industrials	1353.77	1320.06	1323.28	-17.33
Banks	1963.84	1939.79	1946.11	-3.43
Insurance	1821.94	1801.49	1803.31	-8.66
Finance	2310.88	2293.26	2294.67	-1.84
Transp.	1131.30	1111.22	1114.52	-8.03

AMEX

High	Low	Last	Chg.
707.68	700.49	701.15	-2.24

Dow Jones Bond

	Close	Chg.
20 Bonds	104.31	+0.24
10 Utilities	101.97	+0.24
10 Industrials	106.65	+0.25

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Compaq s	155120	73⅝	66⅝	68⅝	-3⅝
Boeing s	139862	51	47⅞	48⅞	-⅜
FstData s	115893	31⅝	29⅝	31⅛	+1
MicronT	108918	32½	28	30	-1⅜
IBM s	91543	102⁹⁄₁₆	96⅞	97⅝	-2⅜
GenElec s	87948	69⅝	64¼	65⅝	-1⅜
AT&T	78046	50⅝	49⅞	50⅛	+1⅛
PhilMor s	75138	41¼	39⅝	39⅞	-1⅛
CocaCl	74459	59⅝	55⅛	55½	-2⅞
Motorola	69391	66¼	60⅝	63⅞	-1⅜
TexInst	65695	121⅝	107⅞	112	-8⅝
FDelMnt n	62400	18	16	17	
TelBrasl	62019	135⅛	124⅝	125⅛	-3⅝
Sears	61347	43⅝	42⅝	43	-¼
Gate2000 s	54854	33⅛	29½	30⅜	-⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
ApldMat s	612539	36⅞	30⅞	33⅝	-3⅝
Intel s	304508	83⅜	78⅛	80	-1⅞
KLA Tenc	162109	57	50⅛	52⅛	-5⅞
DellCpt s	160773	97¼	89⅝	93⅝	-1⅞
Cisco	112282	82⅜	78⅝	80¼	-1¼
3Com	96679	48⅛	44⅛	45⅞	-1⅞
Atmel	95872	30⅞	25⅞	28¼	-1⅞
Microsft s	87272	137⅝	133¼	135⅝	-⅜
SunMic s	85113	38¼	34⅜	37⅝	+⅝
LamRsch	75493	39⅝	34	37⅝	-1⅝
WorldCm	72435	34½	32⅞	33⅝	-¼
Altera	68698	46⅛	39⅝	41⅞	-3⅝
Spectian	66210	31	25⅝	26¼	-15⅝
BioPhar s	64823	26¼	24⅝	25⅛	-2⅝
VideoLan	59455	⅝	½	⅝	—

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	66101	96⅝	93⅝	94⅝	-⅝
RoyalO g	38623	2⅞	2¾	2⅞	—
EchoBay	21377	4⅝	4⅜	4⅝	-⅛
PegGld	12273	5⅝	4⅞	4⅞	-⅝
XCL Ltd	10254	⅝	⅝	⅝	
DataMH	9688	⅞	⅝	⅝	-⅛
TubMex	9327	25⅛	23½	24⅞	-⅝
BemaGold	7810	4	3⅝	3¾	-⅛
Hasbro s	7254	29⅞	28⅝	29⅝	+⅝
PGEpfU	7111	27¼	27	27⅛	+⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	1337	586
Declined	1503	2419
Unchanged	566	413
Total issues	3406	3418
New Highs	108	65
New Lows	44	83

Nasdaq

	Close	Prev.
Advanced	1720	1008
Declined	2097	3466
Unchanged	1824	1255
Total issues	5641	5729
New Highs	93	98
New Lows	53	96

AMEX

	Close	Prev.
Advanced	269	144
Declined	309	466
Unchanged	168	155
Total issues	746	765
New Highs	19	13
New Lows	12	23

Market Sales

	Today 4:00	Prev. cons.
NYSE	678.87	800.56
Amex	33.07	44.54
Nasdaq	884.67	818.88

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Ito-Yokado		.5248	9-8	11-21
WPP Group ADR	b	.1128	10-31	12-2
STOCK SPLIT				
Ferro Corp 3 for 2 split.				
Harris Fincl 3 for 1 split.				
Leeds Fed Bk 3 for 2 split.				
Mohawk Ind 3 for 2 split.				
Summit Bncshrs 2 for split.				
Techne Corp 2 for 1 split.				
Worthington Foods 4 for 3 split.				
STOCK				
Ntl City Bncshrs	-	5%	11-24	12-8
REVERSE STOCK SPLIT				
Credit Depot 1 for 5 reverse split.				
INCREASED				
Andover Bancorp	Q	.19	11-3	11-17
BancorpSouth Inc	Q	.22	12-12	1-2
Harris Fincl	Q	.165	11-4	11-18
Ntl City Bncshrs	Q	.18	12-23	1-7
Pinnacle West	Q	.30	11-3	12-1
United Indust	Q	.08	11-4	11-28
INITIAL				
Ferro Corp n	-	.12	11-14	12-10
Guidant Corp n	-	.0125	12-2	12-16
Norwest Corp n	-	.165	11-7	12-1
Texaco Inc n	-	.45	11-5	12-10
Worthington Foods n	-	.0275	12-19	1-26
SPECIAL				
GoldCdn Resad	c	.294	10-31	11-12
c- payment to arrears.				
OMITTED				
Sun Energy Prtnr	-			
REGULAR				
BkBoston adjpf A	d	.75	11-17	12-15
d- also payable on class B.				
BkBoston adjpf C		1.37	11-17	12-15
Bay State Gas	Q	.395	11-14	12-1
CMS Energy	Q	.30	11-3	11-27
Central Louisina	Q	.395	11-3	11-15
Crown Pac Partner	Q	.538	11-4	11-14
Fina Inc A	Q	.80	12-3	12-16
GATX Corp	Q	.46	12-15	12-31
Irvine Apartment	Q	.375	11-3	11-26
Potomac Elec	Q	.415	12-10	12-31
Rohm & Haas	Q	.50	11-7	12-1
Suburban Propane	Q	.50	10-31	11-10
Westcoast Energy g	Q	.31	12-5	12-31

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semiannually.

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration. a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99. cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Oct. 24, 1997

	High	Low	Latest	Chge	Opint
Grains					
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Dec 97	291	286	289¾	+1¼	207,966
Mar 98	300½	296	298¼	+1¼	101,322
May 98	306¼	302½	304¾	+1	30,414
Jul 98	311	305½	308¾	+1	38,918
Sep 98	298	295¼	296½	-¼	3,593
Dec 98	296½	294	295	-½	24,159
Jul 99			308	unch.	202
Est. sales 65,000 Thu's sales 75,598					
Thu's open int 407,576, up 516					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Dec 97	224.80	221.30	224.00	+0.80	43,196
Jan 98	222.80	219.70	221.90	+0.50	22,046
Mar 98	220.50	217.10	219.20	+0.50	19,230
May 98	219.50	216.50	218.10	+0.60	16,411
Jul 98	221.00	218.00	219.40	-0.40	11,534
Aug 98	221.00	218.50	218.50	-0.80	2,590
Est. sales 24,000 Thu's sales 25,987					
Thu's open int 119,262, up 1,589					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Dec 97	25.77	25.24	25.73	+0.54	55,907
Jan 98	25.99	25.48	25.95	+0.56	24,779
Mar 98	26.16	25.70	26.12	+0.47	12,867
May 98	26.20	25.75	26.17	+0.43	8,118
Jul 98	26.25	24.90	26.21	+0.44	8,496
Aug 98	25.95	25.90	25.95	+0.25	620
Est. sales 23,000 Thu's sales 14,344					
Thu's open int 111,986, up 972					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Nov 97	702	692	699	+5	63,787
Jan 98	708	698½	705	+5	48,193
Mar 98	716	706	713½	+5¼	20,562
May 98	721½	713	719¼	+5¼	15,453
Jul 98	727½	719	725¼	+5	13,534
Est. sales 45,000 Thu's sales 47,059					
Thu's open int 168,407, off 3,286					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Dec 97	371½	366	369	+2¼	57,483
Mar 98	385	378	383¼	+2¼	27,036
May 98	391	386½	389½	+2	5,768
Jul 98	393	388	391¼	+1	13,858
Est. sales 17,000 Thu's sales 14,301					
Thu's open int 107,207, off 977					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Dec 97	67.95	67.00	67.10	-0.62	41,034
Feb 98	69.52	68.70	68.77	-0.37	21,420
Apr 98	73.00	72.32	72.42	-0.15	13,422
Jun 98	70.45	70.07	70.15	-0.27	10,122
Aug 98	70.40	70.05	70.05	-0.05	2,147
Oct 98	72.95	72.65	72.65	-0.30	1,110
Est. sales 15,660 Thu's sales 15,794					
Thu's open int 90,982, up 253					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Oct 97	78.25	77.90	78.10	+0.30	1,834
Nov 97	79.15	78.30	78.65	-0.15	7,056
Jan 98	79.55	78.70	78.87	-0.07	5,087
Mar 98	79.27	78.55	78.65	-0.10	2,265
Apr 98	79.40	78.75	78.80	-0.02	939
May 98	80.05	79.25	79.67	-0.02	689
Est. sales 2,919 Thu's sales 4,528					
Thu's open int 18,066, off 570					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Dec 97	63.15	61.55	62.97	+1.82	20,804
Feb 98	63.15	62.00	62.72	+1.17	8,931
Apr 98	60.20	59.20	59.57	+0.70	3,985
Jun 98	67.55	66.65	67.32	+0.90	1,962
Jul 98	66.00	65.20	65.70	+0.80	948
Est. sales 11,291 Thu's sales 4,540					
Thu's open int 37,256, off 73					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 98	66.05	64.75	65.15	+0.27	4,574
Mar 98	65.80	64.50	65.17	+0.37	1,018
May 98	66.15	65.00	65.00	-0.05	245
Est. sales 3,475 Thu's sales 2,991					
Thu's open int 8,006, up 97					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Dec 97	1610	1577	1580	-20	32,702
Mar 98	1646	1615	1618	-20	28,198
May 98	1666	1640	1640	-19	12,995
Jul 98	1685	1660	1660	-19	3,865
Sep 98	1682	1681	1681	-18	4,786
Dec 98	1700	1699	1699	-19	9,012
Est. sales 7,930 Thu's sales 12,897					
Thu's open int 103,806, up 246					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Dec 97	154.50	149.75	152.90	+0.70	11,695
Mar 98	143.70	139.52	142.65	+0.55	8,049
May 98	139.50	137.00	139.00	+0.50	2,568
Jul 98	136.00	132.25	135.15	-0.10	2,131
Sep 98	135.15	131.00	131.45	-0.30	961
Est. sales 5,159 Thu's sales 9,603					
Thu's open int 25,990, off 78					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Mar 98	11.82	11.71	11.81	+0.08	90,279
May 98	11.82	11.72	11.80	+0.06	25,498
Jul 98	11.69	11.63	11.68	+0.02	19,236
Oct 98	11.59	11.54	11.59	+0.03	19,256
Est. sales 12,171 Thu's sales 14,436					
Thu's open int 159,070, up 1,664					

	High	Low	Latest	Chge	Opint
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Nov 97	69.95	67.50	69.65	+0.75	9,270
Jan 98	73.20	70.85	72.85	+0.65	17,454
Mar 98	76.30	74.05	76.15	+0.80	10,226
May 98	79.25	77.80	79.25	+0.55	2,326
Est. sales N.A. Thu's sales 3,894					
Thu's open int 41,595, off 96					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Oct 97	317.00	307.30	307.30	-15.70	105
Nov 97			307.40	-16.10	1
Dec 97	325.00	308.30	308.60	-16.10	82,977
Feb 98	326.60	309.50	310.10	-16.30	27,691
Apr 98	325.50	311.80	311.80	-16.40	6,065
Jun 98	327.80	312.50	313.70	-16.50	10,686
Aug 98			315.70	-16.50	4,415
Oct 98	330.00	317.70	317.70	-16.60	487
Dec 98	333.50	319.80	319.80	-16.60	10,502
Est. sales 130,000 Thu's sales 35,203					
Thu's open int 178,655, up 2,239					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Oct 97	93.55	90.30	90.40	-2.60	446
Nov 97	93.60	90.55	90.70	-2.70	2,563
Dec 97	94.50	90.95	91.10	-2.80	27,126
Jan 98	94.50	91.50	91.50	-2.70	1,108
Feb 98	94.40	91.80	91.80	-2.40	1,216
Mar 98	94.80	92.00	92.20	-2.40	6,904
Apr 98	94.50	92.10	92.10	-2.10	1,044
May 98	94.50	92.10	92.10	-2.20	3,058
Jun 98	94.20	91.80	91.80	-2.10	1,013
Est. sales 20,000 Thu's sales 9,544					
Thu's open int 54,602, up 716					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Oct 97			475.90	-15.10	123
Nov 97			476.70	-15.30	1
Dec 97	495.00	477.00	478.50	-15.30	65,382
Jan 98	490.00	479.80	479.80	-15.30	21
Mar 98	500.00	484.40	484.40	-15.30	19,597
May 98	502.00	485.00	487.20	-15.30	2,698
Jul 98	504.00	490.10	490.10	-15.30	2,778
Sep 98			492.90	-15.30	638
Est. sales 35,000 Thu's sales 19,896					
Thu's open int 98,564, up 178					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Oct 97	418.80	412.50	413.50	-10.90	98
Jan 98	421.00	411.50	412.00	-10.90	12,661
Apr 98	415.60	406.00	409.00	-9.90	954
Jul 98	409.00	406.00	406.00	-9.90	21
Est. sales N.A. Thu's sales 1,103					
Thu's open int 13,734, off 608					

LONDON METALS (LME) Dollars per metric ton

			Close		Previous
Aluminum (High Grade)					
Spot	1564.00	1565.00	1572½	1573½	
Forward	1595.00	1596.00	1601.00	1602.00	
Copper Cathodes (High Grade)					
Spot	2048.00	2049.00	2058.00	2059.00	
Forward	2067.00	2068.00	2078.00	2079.00	
Lead					
Spot	599.00	600.00	609.00	610.00	
Forward	611.00	612.00	621.00	622.00	
Nickel					
Spot	6110.00	6120.00	6215.00	6225.00	
Forward	6200.00	6210.00	6300.00	6310.00	
Tin					
Spot	5420.00	5430.00	5385.00	5395.00	
Forward	5445.00	5450.00	5410.00	5415.00	
Zinc (Special High Grade)					
Spot	1256½	1257½	1257.00	1258.00	
Forward	1277.00	1278.00	1277.00	1277½	

	High	Low	Close	Chge	Opint
Financial					
US T BILLS (CMER) $1 million- pts of 100 pct.					
Dec 97	95.08	95.02	95.05	unch.	4,455
Mar 98	95.10	95.04	95.10	+0.02	4,452
Jun 98			95.02	+0.04	384
Sep 98			94.96	+0.03	12
Est. sales 1,012 Thu's sales 1,463					
Thu's open int 9,304, up 271					
5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Dec 97	107-51	107-24	107-45	+ 07	230,795
Jun 98				-14	unch.
Est. sales 64,500 Thu's sales 75,988					
Thu's open int 235,106, off 2,435					
10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Dec 97	110-27	110-07	110-22	+ 05	370,503
Mar 98	110-12	109-31	110-12	+ 05	18,858
Est. sales 110,001 Thu's sales 147,574					
Thu's open int 389,363, off 5,096					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Dec 97	117-02	115-28	116-25	+ 15	663,835
Mar 98	116-23	115-20	116-15	+ 15	49,513
Jun 98	116-02	115-30	116-02	+ 13	9,338
Sep 98			115-26	+ 15	2,006
Est. sales 600,000 Thu's sales 649,722					
Thu's open int 749,452, up 24,677					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Dec 97	118-26	118-10	118-25	+0-04	182,336
Mar 98	118-16	118-12	118-24	+0-03	29,808
Est. sales: 45,927. Prev. sales: 120,380					
Prev. open int.: 212,144 up 6,241					
GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct					
Dec 97	102.20	101.65	102.13	+0.36	288,591
Mar 98	101.20	101.02	101.40	+0.34	18,950
Est. sales: 159,568. Prev. sales: 183,578					
Prev. open int.: 299,541 up 5,533					

	High	Low	Latest	Chge	Opint
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Dec 97	98.36	98.06	98.36	+ 0.22	114,572
Mar 98	97.70	97.58	97.82	+ 0.24	8,053
Est. sales: 130,428.					
Open int.: 122,625 off 425.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Dec 97	111.92	111.48	111.87	+0.20	111,409
Mar 98	N.T.	N.T.	111.87	+0.23	1,431
Est. sales: 34,138. Prev. sales: 59,984					
Prev open int.: 112,840 off 1,723					
LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.					
Nov 97	94.32	94.26	94.31	+0.02	40,920
Dec 97	94.16	94.10	94.14	unch.	13,527
Jan 98	94.27	94.24	94.26	+0.02	3,625
Est. sales 4,616 Thu's sales 13,432					
Thu's open int 61,090, off 1,792					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Nov 97	94.19	94.15	94.18	+0.01	24,505
Dec 97	94.17	94.11	94.17	+0.03	552,891
Mar 98	94.14	94.05	94.13	+0.03	473,088
Jun 98	94.07	93.97	94.06	+0.03	347,330
Sep 98	94.00	93.90	93.97	+0.02	255,889
Dec 98	93.90	93.79	93.86	+0.02	227,954
Mar 99	93.88	93.79	93.85	+0.02	162,382
Jun 99	93.85	93.74	93.82	+0.02	143,533
Sep 99	93.82	93.73	93.78	+0.01	109,540
Dec 99	93.75	93.65	93.72	+0.02	89,814
Mar 00	93.75	93.65	93.73	+0.03	72,091
Jun 00	93.72	93.62	93.70	+0.03	59,129
Est. sales 587,591 Thu's sales 895,549					
Thu's open int 2,804,348, off 11,233					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Dec 97	1.6336	1.6256	1.6304	+0.0010	36,463
Mar 98			1.6250	+0.0010	258
Jun 98			1.6192	+0.0010	71
Est. sales 4,452 Thu's sales 5,751					
Thu's open int 36,792, up 327					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Dec 97	.7216	.7197	.7199	-0.0011	54,656
Mar 98	.7243	.7230	.7232	-0.0011	2,610
Jun 98	.7266	.7256	.7256	-0.0024	529
Est. sales 6,400 Thu's sales 10,887					
Thu's open int 58,114, up 1,089					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Dec 97	.5678	.5616	.5640	-0.0033	61,097
Mar 98	.5648	.5648	.5668	-0.0033	2,560
Jun 98			.5693	-0.0033	2,618
Est. sales 23,202 Thu's sales 38,704					
Thu's open int 66,377, off 1,379					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Dec 97	.8334	.8230	.8265	unch.	94,008
Mar 98	.8435	.8368	.8377	unch.	992
Jun 98			.8491	unch.	230
Est. sales 19,132 Thu's sales 35,270					
Thu's open int 95,231, up 9,209					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Dec 97	.6874	.6796	.6857	-0.0008	42,013
Mar 98	.6931	.6857	.6919	-0.0007	2,150
Jun 98			.6980	-0.0007	265
Est. sales 18,165 Thu's sales 23,264					
Thu's open int 44,537, off 1,257					
MEXICAN PESO (CMER) 500,000 pesos, $ per peso					
Dec 97	.12480	.12370	.12412	-.01135	27,952
Mar 98	.12280	.11950	.12010	-.01149	10,225
Jun 98	.11920	.11600	.11660	-.01241	2,831
Est. sales 18,356 Thu's sales 17,338					
Thu's open int 45,116, up 1,838					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Dec 97	92.64	92.61	92.62	—0.02	136,557
Mar 98	92.60	92.56	92.59	—0.01	110,238
Jun 98	92.62	92.58	92.60	—0.03	79,901
Sep 98	92.69	92.65	92.67	—0.03	63,556
Dec 98	92.80	92.76	92.80	Unch.	62,910
Mar 99	92.94	92.89	92.94	+ 0.01	48,652
Jun 99	93.07	93.02	93.07	+ 0.02	38,974
Est. sales: 55,917. Prev. sales: 99,992					
Prev. open int.: 636,764 off 687					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Nov 97	96.25	96.25	96.26	+0.02	2,195
Dec 97	96.19	96.15	96.18	+0.03	292,749
Jan 98	N.T.	N.T.	96.08	+0.03	720
Mar 98	95.89	95.82	95.88	+0.07	332,733
Jun 98	95.64	95.53	95.63	+0.11	289,755
Sep 98	95.44	95.30	95.42	+0.13	196,842
Dec 98	95.23	95.09	95.21	+0.13	186,444
Mar 99	95.06	94.75	95.05	+0.13	182,798
Jun 99	94.91	94.81	94.90	+0.11	83,314
Sep 99	94.78	94.68	94.77	+0.11	72,597
Dec 99	94.66	94.56	94.65	+0.10	61,318
Est. sales: 273,796. Prev. sales: 398,720					
Prev. open int.: 1,782,466 up 3,538					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Dec 97	96.19	96.16	96.18	+ 0.02	39,839
Mar 98	95.85	95.81	95.83	+ 0.04	52,044
Jun 98	95.58	95.51	95.58	+ 0.07	32,165
Sep 98	95.38	95.31	95.37	+ 0.08	19,260
Dec 98	95.23	95.14	95.22	+ 0.07	22,790
Mar 99	95.06	94.98	95.06	+ 0.09	46,025
Est. sales: 79,880.					
Open int.: 250,760 up 509.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Dec 97	93.83	93.76	93.81	+0.01	104,438
Mar 98	94.51	94.43	94.48	+0.01	104,403

	High	Low	Latest	Chge	Opint
Jun 98	94.89	94.80	94.88	+0.07	98,022
Sep 98	95.00	94.87	94.98	+0.10	63,135
Est. sales: 53,054. Prev. sales: 67,375					
Prev. open int.: 476,406 off 2,291					
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Dec 97	72.30	71.65	72.13	+0.27	47,823
Mar 98	73.55	73.00	73.46	+0.28	17,183
May 98	74.40	73.82	74.11	-0.09	9,221
Jul 98	75.20	74.70	75.17	+0.22	8,896
Oct 98	75.70	75.40	75.40	-0.30	836
Est. sales N.A. Thu's sales 12,518					
Thu's open int 93,337, up 497					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Nov 97	58.40	56.90	57.03	-1.06	36,809
Dec 97	59.60	57.90	57.99	-1.03	51,178
Jan 98	60.15	58.65	58.69	-0.93	22,938
Feb 98	60.40	58.99	58.99	-0.83	12,230
Mar 98	58.95	58.44	58.44	-1.06	8,710
Apr 98	57.40	56.94	56.94	-0.53	5,201
May 98	56.25	55.59	55.59	-0.43	2,382
Est. sales N.A. Thu's sales 28,528					
Thu's open int 140,962, up 564					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Dec 97	21.46	20.91	20.97	-0.12	116,630
Jan 98	21.48	21.00	21.06	-0.06	52,456
Feb 98	21.44	20.98	21.02	-0.04	30,880
Mar 98	21.27	20.95	20.95	-0.02	18,182
Apr 98	21.18	20.88	20.89	unch.	13,920
May 98	20.90	20.82	20.82	+0.01	13,163
Est. sales N.A. Thu's sales 66,900					
Thu's open int 379,989, off 18,192					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Nov 97	2.620	2.380	2.548	+0.119	32,956
Dec 97	3.690	3.475	3.642	+0.115	54,824
Jan 98	3.590	3.410	3.539	+0.090	30,551
Feb 98	3.125	3.020	3.080	+0.010	22,437
Mar 98	2.750	2.680	2.680	unch.	16,256
Apr 98	2.410	2.380	2.395	+0.010	9,636
Est. sales N.A. Thu's sales 78,255					
Thu's open int 260,755, up 3,884					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Nov 97	61.00	59.15	59.40	-0.66	23,143
Dec 97	60.90	59.10	59.50	-0.46	25,888
Jan 98	60.70	59.35	59.32	-0.34	17,130
Feb 98	60.70	59.80	59.80	-0.37	7,360
Mar 98	61.20	60.32	60.32	-0.29	5,861
Apr 98	63.70	62.87	62.87	-0.24	4,776
May 98			62.62	-0.24	2,484
Jun 98			62.07	-0.24	2,848
Est. sales N.A. Thu's sales 31,579					
Thu's open int 97,115, up 258					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Nov 97	182.00	179.75	180.25	—1.75	32,345
Dec 97	183.50	181.50	182.00	—1.75	20,839
Jan 98	184.25	182.50	182.50	—1.50	14,008
Feb 98	184.00	183.00	182.75	—1.00	7,985
Mar 98	181.25	181.25	181.50	—0.75	5,608
Apr 98	178.25	178.25	179.00	—0.75	3,584
May 98	N.T.	N.T.	174.50	—0.75	1,225
Est. sales: 9,500. Prev. sales: 12,334					
Prev. open int.: 99,157 off 1,815					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Dec 97	20.31	19.82	19.89	—0.13	70,768
Jan 98	20.35	19.93	19.95	—0.13	39,062
Feb 98	20.29	19.90	19.94	—0.07	14,336
Mar 98	19.99	19.83	19.82	—0.05	5,428
Apr 98	19.86	19.65	19.70	—0.03	2,702
May 98	19.73	19.60	19.58	—0.02	4,832
Est. sales: 28,864. Prev. sales: 22,774					
Prev. open int.: 154,333 off 468					
Stock Indexes					
SP COMP INDEX (CMER) 500 x index					
Dec 97	968.95	942.00	947.50	-8.00	190,308
Mar 98	975.50	954.00	958.00	-8.00	4,445
Jun 98			974.85	unch.	1,512
Est. sales N.A. Thu's sales 69,134					
Thu's open int 196,876, up 1,109					
FTSE 100 (LIFFE) £25 per index point					
Dec 97	5149.0	5077.0	4995.0	—9.0	72,665
Mar 98	5191.5	5116.0	5041.5	—7.5	3,306
Est. sales: 12,452. Prev. sales: 17,988					
Prev. open int.: 74,871 up 758					
CAC 40 (MATIF) FF200 per index point					
Oct 97	2909.0	2844.0	2847.0	— 12.0	31,327
Nov 97	2913.0	2852.5	2855.0	— 12.0	17,812
Dec 97	2923.0	2860.5	2862.0	— 12.0	12,846
Mar 98	2937.0	2937.0	2888.0	— 13.0	10,341
Jun 98	N.T.	N.T.	2860.5	— 12.0	1,525
Est. sales: 24,296					
Open int.: 92,930 up 4,437.					

Commodity Indexes

	Close	Previous
Moody's	1,522.20	1,525.90
Reuters	1,853.20	1,854.50
D.J. Futures	144.72	145.49
CRB	242.44	243.69

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

مكتبة الرمل

EUROPE

Germany and EU End VW Feud

Compiled by Our Staff From Dispatches

BONN — Germany and the European Commission reached a preliminary accord on Friday that would require Volkswagen AG to divert 90.7 million Deutsche marks ($51 million) in government aid to a plant in the state of Hesse, ending a yearlong dispute.

The EU competition commissioner, Karel van Miert, has agreed to the pact and will seek approval from commission colleagues, said Stephanie Kage, a spokeswoman for the Economics Ministry of Germany.

The commission had previously asked for a repayment of the subsidy.

"We still need to study a legally acceptable version of the plan, but the Germans have now shown goodwill," said Willy Helin, spokesman for Mr. van Miert.

A formal agreement would end a dispute between Europe's largest carmaker and the EU that began more than a year ago, when the commission blocked a state-aid package to VW, saying it violated EU competition rules.

In June 1996, the commission authorized the East German state of Saxony to grant 540 million DM in subsidies to VW's car-engine plant at Chemnitz and an assembly plant in Mosel. But it did not authorize another 240.7 million DM. Saxony gave VW 90.7 million DM more than the commission had agreed.

The disputed subsidy will now be diverted for the expansion of VW's car-parts factory in Kassel in Hesse, offsetting funds already approved by the EU. VW will also reduce capacity at its Saxon plants to the levels agreed by the commission in June 1996, a commission spokesman said. And, it will cancel plans for a new paint shop in the same plants.

"This is a good solution," Mrs. Kage said. "We're expecting it to be approved."

VW refused to comment on the settlement. *(Bloomberg, Reuters)*

Renault to Create Separate Bus Unit

Bloomberg News

PARIS — Renault Vehicules Industriels, Renault's truck and bus division, said it would set up a separate bus division and reorganize its management structure in a move to return to profit.

The Renault division's chairman, Shemaya Levy, said he expected the unit to reduce its losses this year and return to operating profit in 1998. The company posted an operating loss of 705 million francs ($118.7 million) last year, compared with an operating profit of 978 million francs in 1995. Renault's shares fell 1.50 francs, to close at 170.50.

■ EU to Keep Eye on Toyota

The European Commission warned that it would scrutinize any subsidies offered to Toyota Motor Corp. to attract the Japanese carmaker's second assembly plant in Europe, Reuters reported from Brussels.

"There are rules to examine state aid, which are well known and accepted; we don't always accept everything," a spokesman said.

The commission spokesman was referring to comments by Louis Schweitzer, head of Renault SA, who said that Toyota should not receive subsidies from the French state if the company chose to invest in the northern town of Valenciennes.

Promodes Turns Sights To Purchases Abroad

Bloomberg News

PARIS — Promodes SA announced its second acquisition in just over a week Friday as it expanded outside France amid talk the company might have conceded defeat in its battle to buy Casino Guichard-Perrachon SA, a French supermarket chain.

Promodes, France's second-largest publicly traded supermarket company, said it had agreed to buy Portuguesa de Lojas de Desconto, a Portuguese discount retailer, from Auchan SA, a French supermarket chain. The price was not disclosed. Last Friday, Promodes announced its purchase of Simago, a Spanish supermarket operator.

Some analysts said the purchases might signal Promodes was withdrawing from its fight against Rallye SA for Casino. Promodes' bid is contingent on getting more than 50 percent of Casino's voting rights.

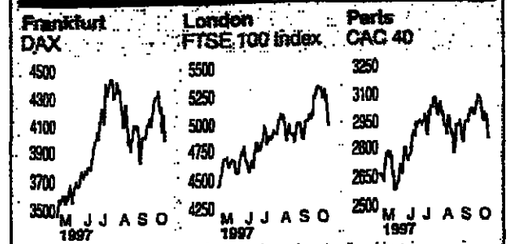
Rallye, which owns a third of Casino, could soon have almost 50 percent of the company's voting rights if it exercises its warrants for Casino shares.

Casino's shares rose 2 francs on the Bourse to close at 337 ($56.72); Rallye's shares rose 7 to 314, while Promodes' shares fell 2 to 1,934.

■ Air France Chairman Says 49% of Airline Could Be Sold

The French government might sell as much as 49 percent of Groupe Air France in its initial offering, but the state will remain a majority shareholder, the group's new chairman, Jean-Cyril Spinetta, said, AFX News reported from Lyon.

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	AEX	881.35	882.40	+1.01
Brussels	BEL-20	2,305.13	2,328.36	-1.00
Frankfurt	DAX	4,050.87	3,977.26	+1.85
Copenhagen	Stock Market	848.91	845.83	+0.49
Helsinki	HEX General	3,796.91	3,777.13	+0.52
Oslo	OBX	736.57	732.86	+0.47
London	FTSE 100	4,970.20	4,991.50	-0.43
Madrid	Stock Exchange	581.09	584.83	-0.64
Milan	MIBTEL	15698	15712	-0.09
Paris	CAC 40	2,849.03	2,856.87	-0.27
Stockholm	SX 16	3,312.73	3,344.98	-0.96
Vienna	ATX	1,386.57	1,374.09	+0.91
Zurich	SPI	3,638.87	3,617.93	+0.58

Source: Telekurs International Herald Tribune

France Telecom Funds for Thomson

Agence France-Presse

PARIS — France will use part of the proceeds from selling a stake in France Telecom to subsidize Thomson Multimedia SA, the Economics Ministry said Friday.

Thomson, the consumer-electronics unit of Thomson SA, will receive 11 billion French francs ($1.85 billion) of new capital before the end of the year, the ministry said. The money will be taken from the 42 billion francs raised from the sale of 23.2 percent of France Telecom.

Thomson SA will hold a special shareholders' meeting Dec. 10 to approve the capital increase.

The European Commission approved the aid at the beginning of October but imposed several conditions, including requiring Thomson Multimedia to find partners by 2000 to improve its performance and ensure it is viable.

It also stipulated that the company must maintain its share of the European color television market at 10 percent.

Paris applied to the commission for permission to provide aid after the collapse of a move under the previous center-right government to let Daewoo Corp. of South Korea take over Thomson Multimedia.

The current Socialist government of Prime Minister Lionel Jospin has said Thomson Multimedia will remain in state hands but has not ruled out the formation of partnerships.

Very briefly:

• **Mercedes-Benz AG's** former chief of operations in Eastern Europe, Hans Dieter Fink, was convicted of embezzling about 5 million Deutsche marks ($2.8 million) over his three-year tenure in the post. Mr. Fink was sentenced to five years and three months in prison for embezzlement, fraud and extortion.

• **The European Commission** agreed to raise the quotas set on Japanese car exports to Europe by 2 percent in 1997, to 1,114,000 units, because of higher demand.

• **Philips Electronics NV** invested 80 million guilders ($39.9 million) in its semiconductor business as part of its plan to double production of transistors and diodes in the coming years.

• **Pinault-Printemps-Redoute SA,** France's largest specialty retailer, said third-quarter sales rose 16 percent, to 22.03 billion francs ($3.72 billion), thanks to recent acquisitions and foreign growth.

• **France's** trade surplus fell to 11.01 billion francs from a revised 22.47 billion francs in July, as exports fell and imports of goods and equipment rose, reflecting a budding recovery in domestic demand, economists said.

• **Trygg-Hansa AB,** a Swedish insurer, said its net profit rose 54.5 percent in the first nine months of the year, to 2.56 billion kronor ($335.5 million), because of a sharp increase in volume in its life- and savings-insurance operations and increased sales in the private-insurance division.

• **Wienerberger Baustoffindustrie AG,** Austria's largest building-materials maker and Europe's largest maker of bricks, said third-quarter operating profit rose 22 percent, to 591 million schillings ($47.1 million), lifted by cost-cutting.

• **Skandinaviska Enskilda Banken AB** reported a 25 percent drop in third-quarter profit, to 976 million Swedish kronor, as costs rose and trading revenue fell.

• **Scania AB,** a Swedish truckmaker, said third-quarter profit surged to 349 million kronor from 18 million kronor in the year-earlier quarter, as orders improved and the company took fewer reorganization charges.

• **Britain's** gross domestic product growth accelerated to an annual rate of 3.9 percent in the third quarter from 3.5 percent in the previous three months, according to preliminary data. *AP, Bloomberg, AFP*

WON: *Report Sows Panic in Seoul's Markets*

Continued from Page 13

Group to takeover Kia Motors, and a spokesman for Daewoo Group said it might be interested in buying Asia Motors Corp., Kia's commercial-vehicle arm.

"We're trying to send South Korean businesses a message that the days when they could rely on the government to help them out are over," said Kim Jun Il, a senior counselor to Kang Kyong Shik, the deputy prime minister and finance minister. "We're constantly trying to put across this message, but human behavior changes slowly so this is going to take time."

In the meantime, whoever succeeds President Kim Young Sam after elections on Dec. 18 will have other problems to face as well. To inspire confidence in South Korea's economy, he must ease the mounting turmoil in financial markets and the industrial sector, and go head-to-head with the formidable bureaucracy, analysts said.

Following the downgrade, South Korean stocks, which were also hurt by turmoil elsewhere in East Asia, plummeted 6.5 percent. The composite index fell 33.15 points to 570.91.

With the won plunging as low as 930 to the dollar Friday — it closed at 925.8 — and the stock market falling a record 5.5 percent, South Korea's next leader must first tackle the fragility of the financial system because of its broader impact on the corporate sector and, by extension, the economy at large.

"The financial sector is so weak that it cannot lend to the corporate sector," Seok Yun, the Head of Research at CSFB in Seoul, said. "But South Korea's corporate sector is extremely highly leveraged, and cannot continue operating without lending more money from the financial sector."

At the end of last year, the nation's financial institutions had 11 trillion won worth of loans on which interest had not been paid for six months — the standard definition of a bad loan. But bad debts could leap as high as 20 trillion won by the end of this year, according to Credit Suisse First Boston in Seoul.

Most of those stem from lax lending policies over the past four decades and the steady decline in South Korean economic growth, which has fallen to about 6 percent this year from nearly 10 percent early in the decade.

Moreover, the leverage of South Korea's corporate sector has reached nearly 200 percent of GDP, Standard & Poor's also said. The debt was concentrated among large industrial conglomerates, it said. And despite signs of a moderate pickup in the economy, the problems of the banks and of the conglomerates had "clearly worsened" in recent months, it added.

"That creates a great dilemma," Mr. Yun at CSFB said. "And the ultimate, and only, solution is for the government to use public money to either prop up the financial sector or to take over its bad loans." That is unlikely to please South Koreans because it would probably mean tax increases.

■ Protesters Clash With Riot Police

South Korean protesters clashed with riot police during a rally to protest the government's decision to seek court receivership for ailing Kia Motors, Reuters reported from Seoul.

Witnesses said two protesting workers were injured in a skirmish with riot police and immediately taken to a nearby hospital.

RATES: *Monetary Union Removes Policy Tools*

Continued from Page 13

the Bundesbank's president, Hans Tietmeyer, "has been saying for ages that monetary policy can't solve unemployment that is structural." Now, she said, "he is telling the politicians and the private sector that they are on their own."

The problem is that European politicians are finding it difficult to create the sorts of flexible, low-cost labor markets that have allowed the United States, Britain and the Netherlands to create jobs in recent years.

This was spectacularly illustrated in Italy when Prime Minister Romano Prodi's 17-month-old coalition government broke down the day Germany raised interest rates. His neo-Communist partners first rejected plans to cut welfare spending but then accepted some new austerity in return for cutting the workweek to 35 hours from 40 by 2001.

In Germany, though, Chancellor Helmut Kohl's fiscal plans appear to have hit a roadblock, and in France, Prime Minister Lionel Jospin's Socialist cabinet rejects the "Anglo-Saxon" model of labor markets and is instead trying to reduce unemployment by hiring more civil servants and cutting the workweek.

"There is enormous resistance to liberalizing labor markets," said Kathleen Stephansen, an economist in New York for Donaldson, Lufkin & Jenrette.

The seriousness of what is at stake in Europe was underlined by the International Monetary Fund in its latest World Economic Outlook report. Assuming that members of monetary union press on with budget-cutting and make labor markets more flexible, it forecasts that Europe's so-called structural unemployment rate — the rate at which inflation starts to rise — will fall from 9 percent now to 7 percent by 2010, with output rising 3 percent more than it otherwise would. If governments do not make those changes, the report predicted, the structural jobless rate will hit 11 percent.

(The current unemployment rate in the EU as a whole is 11.2 percent.)

With the schedule for monetary union now set, analysts are asking whether the difficulties of fighting unemployment in a single-currency region will turn this grand design for cementing European unity into a colossal flop.

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- Russia: Will the Promise be Fulfilled?
- Central Asia: The 'Great Game' in the 21st Century
- The Middle East: Prospects for Stability
- China and India: Energy Outlook vs. Investment Strategy
- The Future of Oil: Commoditization or Managed Supply?
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ASIA'S FINANCIAL CRISIS / *Contagion Hits Other Emerging Markets*

Jitters Spread to Emerging Markets Outside Asia

By Edward Wyatt
New York Times Service

What had been an Asian problem looks more and more like an emerging markets problem, as even the most buoyant of these markets, like those in Russia and Brazil, have succumbed to a tidal wave of selling.

The biggest repercussions were in the countries perceived to have the weakest currencies, and investors were reminded that a diverse portfolio representing many regions of the world does not necessarily provide protection against a global downdraft.

Mutual funds specializing in Latin American stocks have been among the best performers this year, and Russian funds have been even hotter.

But on Thursday the major stock market indexes fell by about 8 percent in Brazil, 4.5 percent in Mexico and 5 percent in Russia — two to four times worse than the 2 percent decline suffered by American stocks.

The Russian market stabilized on Friday, with the index rising .75 percent. But Brazil was down 4.6 percent in mid-day trading, and Mexico was down 3.3 percent.

"There really didn't seem to be a place to hide," Rajeev Bhaman, co-manager of the Oppenheimer Developing Markets fund, said Friday.

"When the sentiment goes against a class of assets like the emerging markets, everything goes together."

The widespread fallout from the Asian currency crisis, which caused the Hong Kong market to plunge Thursday, started to take a small toll on American mutual fund investors, who previously this year have shown some skittishness at volatility in the American stock market.

At T. Rowe Price in Baltimore, investors generally appeared to be moving money out of international funds Thursday and into either U.S. stock funds or money market funds, said Steven Norwitz, a spokesman.

Similarly, at Fidelity Investments in Boston, investors made slight redemptions in international funds Thursday while moving money into domestic growth-stock funds or money market accounts, said Teri Kilduff, a spokeswoman.

What happens next in emerging markets around the world could depend as much on the reactions of American mutual fund investors as on the plans of central bankers around the globe.

What happens next will depend on mutual fund investors as much as on central bankers.

"If people end up withdrawing capital from these emerging markets, they could all be in trouble," Mr. Bhaman said.

"People may end up saying that because things are bad in China, they don't want to lend money in Brazil."

So far, however, the problems have been contained in Asia, and nearly all of the withdrawals from emerging market mutual funds in recent weeks have been from funds that specialize in the Asian and Pacific markets, said Robert Adler, president of AMG Data Services, which tracks mutual fund cash flows.

In the week ended Wednesday, Asian funds suffered net outflows of $53 million, while emerging market funds overall took in $149 million, Mr. Adler said.

Funds investing in the Pacific region had already fallen 10 percent to 20 percent this year, before the sharp declines this week. And while most fund managers say they are attracted by the greatly depressed prices in Asian markets, they have been reluctant to plunge in and buy in the middle of the downturn.

"The question is do you want to get in the way of a falling safe, even though you know there's lots of money in it," said Robert Swift, a senior portfolio manager at Putnam Investments. "Right now, people are stepping aside."

And when they do participate, they are as likely to raise cash in order to brace themselves for possible redemptions by shareholders.

"Depending on how fast we see stability returning, I think we could see investors make a high level of redemptions in emerging market funds in the next few weeks," said Angeline Ee, co-manager of the Montgomery Emerging Markets fund.

That could spread the weakness in Asia to other regions. The markets outside of Asia that most worry fund managers include Brazil, which suffers from several of the same negative economic factors that have led to currency declines in Asia.

"We have concerns about the real," the Brazilian currency unit, Ms. Ee said. "Brazil has a current account deficit, a fiscal deficit, and the real is currently overvalued. I think that is why it was hit so hard" Thursday

Brazil is also one of the largest, most liquid Latin American markets, which means that it is one of the first emerging markets that mutual fund managers turn to when they need to sell stocks quickly.

Other, smaller South American markets, however, appear to be less vulnerable.

Certainly, Latin American stock funds still have big gains for the year, as do Russian funds. In Eastern Europe on Thursday, Russian blue-chip stocks were hit the hardest, but stocks of smaller companies fell much less sharply.

Christian Strenger, chief executive of Deutsche Bank's mutual fund unit, said he believed that because much of Russia's economic growth is internally generated, rather than dependent on exports, it does not face many of the dangers that have recently afflicted Asian markets.

For investors in emerging market mutual funds, the least effective way to grapple with crisis is likely to be withdrawing money from emerging markets now, only to pour it back in when the stock markets appear on the upswing.

"Emerging markets have gained 15 percent annually over the long term, but that can vary by 40 percent each year," said David Bugen, a financial adviser in Chatham, New Jersey.

"That means you could make 65 percent in two out of three years, but on the other hand it's not unusual to lose 25 percent in a single year."

BRIEFLY

Australian Exports Face Increasing Risk

SYDNEY — Commodity exports, which account for three-fifths of Australia's income, are at risk because slowing Asian economies threaten to throttle demand in some of the country's biggest markets.

In the year that ended June 30, about 36 percent of Australia's commodity exports, including wheat, beef, coal and gold, went to Japan, South Korea, China and Taiwan. But Japan's economy is in a long slump, China's growth is slowing, and currencies in Taiwan and South Korea recently slid as the countries tried to keep pace with rivals in Southeast Asia.

"Now that we've seen Taiwan and Korea hit, we're starting to see it's going to be a bit more difficult for Australian commodities exporters," said Rob Henderson, chief economist at Dresdner Australia Ltd., an investment bank. *(Bloomberg)*

Taiwan's Reserves Decline

TAIPEI — Taiwan's foreign-exchange reserves dropped $2.05 billion in September from the previous month amid efforts to shore up the local currency, the central bank said Friday.

The drop brought the island's foreign-exchange reserves down to $85.75 billion, the bank said. Meanwhile, annual growth in Taiwan's M2 money supply, which includes cash in circulation, deposits and treasury bills, slowed to 6.5 percent. *(AFP)*

U.S. Rates May Hold Steady

WASHINGTON — The escalating economic crisis in Asia may be just the news the Federal Reserve needs to hold interest rates steady in the United States for the near future, analysts said Friday.

Slower growth in Asia should reduce demand for U.S. exports, they said, slowing U.S. growth from what the Fed chairman, Alan Greenspan, this month characterized as an "unsustainable" pace. At the same time, the devaluation of Asian currencies will restrain U.S. inflation by making imports cheaper. *(Bloomberg)*

American Companies to Stay

NEW YORK — U.S. companies, undeterred by the Asian financial crisis, say they will keep investing in the region because it is the fastest-growing consumer market in the world.

United Technologies Corp., Procter & Gamble Co., Dow Chemical Co. and General Motors Corp. are among dozens of companies that say they plan to keep pouring money into the region. *(Bloomberg)*

China Rate Cut Bolsters Firms

BEIJING — China's cut in interest rates will allow its debt-laden state enterprises to make savings of about $6 billion, the central bank said Friday. *(AFP)*

Thomas Cheng/Agence France-Presse
Hong Kong's chief executive, Tung Chee-hwa, at a news briefing upon his return from Europe on Friday.

One Country, Two Central Banks

In First Test of Sovereignty, Beijing Vows to Let Hong Kong Handle Crisis

By Seth Faison
New York Times Service

BEIJING — Facing their first major crisis since resuming sovereignty over Hong Kong, Chinese officials responded calmly to the stock market's plunge this week with promises not to intervene or overrule the territory's authorities.

Displaying a sophisticated understanding of market pressure, and pointing to the "one-country, two-systems" formula that Beijing has pledged to enforce in Hong Kong, China's top central bank official employed caution and expressed confidence that Hong Kong's financial authorities would handle the situation.

"The Hong Kong Monetary Authority has the competence and capability to maintain the stability of the Hong Kong dollar," Dai Xianglong, governor of the People's Bank of China, told a Hong Kong newspaper.

At the same time, Mr. Dai sent a clear signal to speculators by declaring that China was prepared to support the Hong Kong currency, if asked.

One of the main concerns in Hong Kong about Beijing's new rule has been that Chinese officials unfamiliar with modern financial markets might panic or interfere in a crisis.

Technically, the Hong Kong Monetary Authority has sole authority over the territory's fiscal matters.

But if a serious disagreement arose between Hong Kong and Beijing during a financial crisis, it is anyone's guess who would prevail. In a sense, Thursday was the first test.

Acting calmly, Mr. Dai and other bank officials indicated that even before they took control of Hong Kong on July 1, they had anticipated just such a market meltdown. "We are fully prepared for this kind of situation," Mr. Dai said.

Economists have been watching with growing bemusement over the last year as China's foreign-exchange reserves grew ever higher, reaching $134 billion by the end of September. Mr. Dai acknowledged Thursday that one of the reasons was to protect the Hong Kong and Chinese currencies in a crisis.

Hong Kong's reserves total $80 billion, and officials at the Hong Kong Monetary Authority have pledged use what is necessary to defend the Hong Kong dollar's peg to the U.S. dollar of 7.75 to 1.

WORLD STOCK MARKETS

Friday, Oct. 24
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 891.35 Previous: 882.48

Amsterdam	High	Low	Close	Prev.
ABN-AMRO	39.80	38.60	39.50	38.40
Aegon	161.10	157.50	158.50	157
Ahold	54	52.20	53.10	51.50
Akzo Nobel	349	341	346.50	339
Baan Co.	145.40	142.50	142.50	141
Bols Wess cva	33.90	33.20	33.40	33.30
CSM cva	92.50	91	91.10	92.30
Dordtsche Pet	109.30	107.50	107.60	109.30
DSM	186.20	182.50	184	181.20
Elsevier	31.10	30.60	30.60	30.60
Fortis Amev	80.60	79	79.70	79
Getronics	71	69.10	71	69.40
G-Brocades cva	55.50	54.70	54.70	54
Hagemeyer	91	88.50	89.80	87.20
Heineken	332.40	325	327.50	326.90
Hoogovens cva	115.50	113.10	113.50	112.90
Hunt Douglas	89	87.90	88.50	86.50
ING Group	87.70	86.10	86.20	85.50
KLM	70.50	69	69.60	69.30
KNP BT	48.80	47.40	47.90	47
KPN	74.80	73.60	73.60	74.10
Nedlloyd Gp	67.30	65.50	65.80	66.80
Nutricia	56.70	55.70	55.70	55.60
Oce Grinten	236.80	231	231	234.10
Philips Elec	167.50	164	164.40	160.20
Polygram	116	112.50	114	113.30
Randstad Hdg	81.50	79.90	79.90	80.20
Robeco	193.10	191	191	191.50
Rodamco	59	56.30	58.40	57
Rolinco	189	187.50	187.50	189.50
Rorento	118.50	118.10	118.50	118.30
Royal Dutch	108.40	106	106.50	107.70
Unilever	109	107	107.40	106.80
Vendex Intl	108.20	105.30	106.90	106.20
VNU	43.40	42.20	43	41
Wolters Kl cva	245	240	240	241.70

Bangkok
SET index: 494.80 Previous: 511.54

Bangkok	High	Low	Close	Prev.
Adv Info Svc	238	218	227	240
Bangkok Bk F	138	130	138	140
Krung Thai Bk	18.75	18.25	18.50	19.75
PTT Explor	408	384	396	410
Siam Cement F	470	418	440	490
Siam Com Bk F	94	90	93.50	94
Telecomasia	26.75	24.75	24.75	27.50
Thai Airways	52	50	50.50	54
Thai Farm Bk F	103	99.50	102	104
Utd Comm	95.50	93.50	94	97

Bombay
Sensex 30 index: 3957.46 Previous: 4009.77

Bombay	High	Low	Close	Prev.
Bajaj Auto	611	585	609.75	594.50
Hindust Lever	1404.75	1371.25	1374.50	1401.50
Hindust Petlm	503	492.75	495	505.25
Ind Dev Bk	104.25	101.50	102.25	104.25
ITC	620.50	577	587	623.50
Mahanagar Tel	262.25	255.75	261	258
Reliance Ind	403	388.25	395	404
State Bk India	273.75	267.50	271.50	274
Steel Authority	15.25	15	15	15
Tata Eng Loco	336	328.25	334.75	331

Brussels
BEL-20 index: 2305.13 Previous: 2328.36

Brussels	High	Low	Close	Prev.
Almanij	1605	1570	1570	1570
Barco Ind	7140	7000	7020	7010
BBL	9040	8860	8860	9020
CBR	3190	3050	3060	3145
Colruyt	19000	18050	18150	18850
Delhaize Lion	1705	1650	1650	1685
Electrabel	7670	7570	7670	7580
Electrafina	3450	3320	3450	3400
Fortis AG	7050	6860	6920	6970
Gevaert	1540	1520	1530	1530
GBL	5550	5350	5390	5510
Gen Banque	14100	13700	13950	13825
Kredietbank	14275	14025	14150	14125
Petrofina	14000	13675	13750	13850
Powerfin	5030	5000	5030	5000
Royale Belge	9400	9200	9240	9200
Soc Gen Belg	3250	3180	3180	3215
Solvay	2150	2080	2095	2120
Tractebel	3020	3005	3010	3005
UCB	123100	117600	118150	121800

Copenhagen
Stock index: 648.81 Previous: 645.43

Copenhagen	High	Low	Close	Prev.
BG Bank	461	440	452	450
Carlsberg B	373	364	372	370
Codan Fors	1200	1007.50	1007.50	1000
Danisco	379	371	378	373
Den Danske Bk	758	747	757	748.02
D/S Svendbrg B	452000	450000	452000	444500
D/S 1912 B	320480	310000	318000	313000
FLS Ind B	180	170	179	172
Kob Lufthavne	815	809	810	810
Novo Nordisk B	760.50	752	755	749.56
Sophus Ber B	1070	1050	1050	1050
Tele Danmk B	352.75	344	351	345
Tryg Baltica	443	425	442	432
Unidanmark A	476	465	465	471

Frankfurt
DAX: 4058.87 Previous: 3977.26

Frankfurt	High	Low	Close	Prev.
AMB B	182	180	181	180
Adidas	251	247.50	250.50	247.50
Allianz Hdg	429	421	427	410
Altana	126	121	125	123.50
Bk Berlin	46.90	46.60	46.80	46.50
BASF	62.65	61.40	61.80	60.70
Bayer Hypo Bk	78.80	77.60	77.60	77.60
Bay.Vereinsbank	108.25	106	107	106
Bayer	67.28	65.30	65.45	65.05
Beiersdorf	80.55	80.20	80.20	80.55
Bewag	40.90	40.80	40.85	41.20
BMW	1395	1380	1390	1350
CKAG Colonia	171	162	171	161
Commerzbank	64.10	63.20	63.40	62
Daimler Benz	131.30	128.80	130.40	128.10
Degussa	89.40	87.40	87.40	85.50
Deutsche Bank	120.70	118.75	119.15	117.90
Deut Telekom	32.05	31.85	32	31.55
Dresdner Bank	79.70	78.80	79.30	77.70
Fresenius	292.50	290	292.50	290
Fresenius Med	137.50	134.50	134.50	133
Fried. Krupp	364	361.50	362.50	355
Gehe	95	93	95	94.50
Heidelbg Zmt	153.40	153	153.40	150
Henkel pfd	103.20	101.50	102.50	102.70
HEW	473.50	473.50	473.50	473.50
Hochtief	81.80	81.50	81.50	80.60
Hoechst	75.80	75	75.38	74.90
Karstadt	595	585	593	571
Lahmeyer	92.40	91.50	92.40	91
Linde	1135	1123	1127	1105
Lufthansa R	32.80	32.45	32.60	31.50
MAN	541.50	535	540.50	530
Mannesmann	830	814.50	814.50	819
Metallgesellschaft	38.70	38.30	38.45	38.40
Metro	79.80	78	78	76.20
Munch Rueck R	580	562	580	548.50
Preussag	497.50	493.50	495.50	487.50
RWE	84	82.10	82.50	83.60
SAP pfd	510	492	506.50	478
Schering	175.40	173	174.10	170
SGL Carbon	269	258	258	264
Siemens	115.50	114.10	114.60	114.60
Springer (Axel)	1510	1510	1510	1530
Suedzucker	885	870	880	860
Thyssen	422.50	417	417	414
Veba	98.30	97.10	97.40	96.20
VEW	560	556	560	555
Viag	860	852.50	856	841
Volkswagen	1164	1156	1158	1147

Helsinki
HEX General index: 3796.91 Previous: 3777.13

Helsinki	High	Low	Close	Prev.
Enso A	55.60	55.60	55.50	55
Huhtamaki I	223	216	223	215
Kemira	57.50	55.50	57.50	55
Kesko	77.50	76.50	77.50	76
Merita A	27	26.10	26.90	26.10
Metra B	147	144.50	145	146
Metsa-Serla B	51	49.50	49.80	49.50
Neste	138	135	138	136
Nokia A	523	508	511	511
Orion-Yhtymae	205	196	204.90	197
Outokumpu A	90	86	88.80	89
UPM-Kymmene	147	143.50	144	145
Valmet	95	93	93.90	94.50

Hong Kong
Hang Seng: 11144.34 Previous: 10426.30

Hong Kong	High	Low	Close	Prev.
Amoy Props	6.45	5.90	6.40	6.20
Bk East Asia	21.55	19.60	20.90	20.55
Cathay Pacific	8.50	7.90	8.30	6.10
Cheung Kong	55.25	49	55	50.25
CK Infrastruct	16.50	14.90	16.50	15.30
China Light	36	33	36	34.70
Citic Pacific	34.90	29.50	34.90	30.30
Dao Heng Bk	18.20	16	17.90	17.15
First Pacific	4.95	4.30	4.90	4.33
Hang Lung Dev	11.05	10	11.05	10.30
Hang Seng Bk	75	66.75	74.50	70.50
Henderson Inv	6.30	5.60	6.30	6
Henderson Ld	45.30	41	44.70	42.40
HK China Gas	13.70	12.25	13.60	12.75
HK Electric	26.45	25.20	26.20	26.20
HK Telecomm	14.70	13.20	14.60	13.70
Hopewell Hdgs	2.50	2.15	2.45	2.25
HSBC Hdgs	202	183	199	188
Hutchison Wh	53.25	48	52.75	49.60
Hysan Dev	17.90	15.30	17.80	16
Johnson El Hdg	18.90	17.70	18.90	17.60
Kerry Props	14.75	14	14.70	14.20
New World Dev	31.90	27.70	31.40	28.50
Oriental Press	1.94	1.75	1.94	1.78
Pearl Oriental	0.60	0.48	0.56	0.50
SHK Props	65.50	57.50	65	59.75
Shun Tak Hdgs	4.25	3.73	4.25	3.80
Sino Land Co.	5.80	5.30	5.80	6
Sth China Post	6.25	5.75	6.25	5.80
Swire Pac A	45	39.60	45	41.50
Wharf Hdgs	17	15.60	16.30	16.10
Wheelock	10.65	9.50	10.50	9.80

Jakarta
Composite index: 490.00 Previous: 494.14

Jakarta	High	Low	Close	Prev.
Astra Intl	2375	2300	2300	2325
Bk Intl Indon	775	725	750	775
Bk Negara	775	750	775	750
Gudang Garm	8900	8650	8725	8900
Indocement	2000	1950	2000	2000
Indofood	3900	3900	3900	3900
Indosat	8775	8675	8700	8700
Sampoerna HM	5900	5800	5800	6000
Semen Gresik	3450	3350	3400	3375
Telekomunikasi	3375	3275	3375	3325

Johannesburg
All Market: 7148.34 Previous: 7094.20

Johannesburg	High	Low	Close	Prev.
ABSA Group	32	31.15	30.75	30.75
AngloAm Coal	280	279	279.40	279.40
AngloAm Corp	241	232.60	235.40	235.40
AngloAm Gold	257.20	245	257	257
AngloAm Ind	163	156	157	157
AngloAm Plat	87.50	84.50	87	87
AVMIN	10.70	10.25	10.50	10.50
Barlow	53.70	52.50	52.30	52.30
CG Smith	24.90	24.10	24.25	24.25
De Beers	133.80	129.40	124.60	124.60
Driefontein	31.45	30.50	31.70	31.70
FSI Natl Bk	42	41	40.75	40.75
Gencor	12.30	11.80	11.90	11.90
GFSA	97	94	96.50	96.50
Imperial Hdgs	63.50	62.20	62.50	62.50
Ingwe Coal	21.50	21.25	21.25	21.25
Iscor	3	2.82	2.87	2.87
Johnnies Ind	60	58.60	58.50	58.50
Liberty Hdgs	354	350	345	345
Liberty Life	135.40	133.40	133	133
LibLife Strat	16.70	16.50	16	16
Minorco	100.40	99	101	101
Nampak	17.50	17.15	17.10	17.10
Nedcor	112	109.40	105	105
Rembrandt Gp	44.80	43.75	43.75	43.75
Richemont	62.60	59.50	61	61
SA Breweries	139	135.40	135	135
Samancor	34	33.90	34	34
Sasol	63.40	62.80	62	62
SBIC	230	227	225	225
Tiger Oats	76	74.50	75	75

Kuala Lumpur
Composite: 692.39 Previous: 706.45

Kuala Lumpur	High	Low	Close	Prev.
AMMB Hdgs	6.45	5.85	6	6.30
Genting	9.30	9.05	9.15	9.40
Mal Banking	13.80	12.90	13.40	13.80
Mal Intl Ship F	5.80	5.55	5.55	5.85
Petronas Gas	9.15	8.60	9	9.25
Proton	8.75	8.50	8.60	8.75
Public Bk	2.23	2.13	2.14	2.20
Renong	3.20	3.08	3.20	3.16
Resorts World	6.70	6.10	6.10	7
Rothmans PM	26.75	24.80	26.75	24.90
Sime Darby	5.25	4.90	4.92	5.15
Telekom Mal	8.90	8.50	8.50	9
Tenaga	7.70	7.15	7.30	7.50
Utd Engineers	9.30	8.45	8.45	9.30
YTL	4.06	3.78	4.02	3.84

London
FT-SE 100: 4970.20 Previous: 4991.50

London	High	Low	Close	Prev.
Abbey Natl	9.75	8.43	9.55	9.29
Allied Domecq	5.23	5.05	5.16	5.05
Anglian Water	8.15	8	8.07	8.05
Argos	6.38	6.30	6.35	6.38
Asda Group	1.56	1.50	1.55	1.54
Assoc Br Foods	5.25	4.90	5	4.93
BAA	5.85	5.45	5.58	5.61
Barclays	16.90	15.31	15.35	16.30
Bass	8.44	8.09	8.32	8.20
BAT Ind	5.72	5.48	5.49	5.61
Bank Scotland	5.45	5.12	5.30	5.06
Blue Circle	3.82	3.62	3.69	3.72
BOC Group	11.25	10.45	10.60	10.45
Boots	8.74	8.36	8.59	8.40
BPB Ind	3.46	3.31	3.34	3.36
Brit Aerosp	16.85	16.41	16.67	16.46
Brit Airways	6.36	6.17	6.32	6.22
BG	2.75	2.52	2.57	2.75
Brit Land	6.80	6.60	6.74	6.60
Brit Petm	9.89	8.40	8.82	8.85
BSkyB	4.47	4.26	4.33	4.31
Brit Steel	1.73	1.68	1.70	1.68
Brit Telecom	4.75	4.63	4.73	4.68
BTR	2.37	2.19	2.27	2.25
Burmah Castrol	10.59	10.15	10.53	10.39
Burton Gp	1.33	1.31	1.32	1.32
Cable Wireless	4.92	4.55	4.84	4.75
Cadbury Schw	6.30	6.17	6.20	6.15
Carlton Comm	5.30	5.09	5.19	5.10
Coml Union	8.75	8.45	8.45	8.55
Compass Gp	6.89	6.85	6.88	6.93
Courtaulds	3.12	3	3	3.13
Diageo	7.15	6.96	7.02	7.02
Electrocomponents	4.87	4.75	4.75	4.85
EMI Group	5.85	5.63	5.74	5.69
Energy Group	6.37	6.28	6.33	6.29
Enterprise Oil	7	6.70	6.85	6.89
Fam Colonial	1.78	1.75	1.76	1.79
Genl Accident	11.30	10.50	10.83	10.57
GEC	4.04	3.76	3.97	3.97
GKN	14.05	13.68	13.82	13.65
Glaxo Wellcome	13.44	12.47	12.85	12.68
Granada Gp	8.64	8.43	8.54	8.43
Grand Met	6.10	5.76	5.82	5.89
GRE	3.31	3.17	3.19	3.19
Greenalls Gp	3.50	3.40	3.43	3.55
Guinness	5.90	5.80	5.84	5.89
GUS	7.40	7.11	7.19	7.19
Hays	7.45	7.27	7.27	7.45
HSBC Hldgs	17.17	15.22	15.60	15.06
ICI	9.52	9.30	9.46	9.27
Impl Tobacco	3.90	3.87	3.87	3.88
Kingfisher	8.49	8.10	8.41	8.12
Ladbroke	2.97	2.89	2.95	2.90
Land Sec	10.30	10	10.22	10.04
Lasmo	2.77	2.61	2.71	2.65
Legal Genl Grp	5.12	4.90	4.94	4.96
Lloyds TSB Gp	7.59	7.14	7.30	7.39
Lucas Varity	2.16	2.09	2.14	2.10
Marks Spencer	6.38	6.20	6.37	6.28
MEPC	5.14	5.05	5.10	5.06
Mercury Asset	13.33	12.90	13.07	13.20
National Grid	2.90	2.78	2.87	2.78
Natl Power	5.10	4.80	4.98	4.89
NatWest	9.74	9.41	9.50	9.60
Next	7.45	7.21	7.40	7.25
Norwich Union	3.60	3.33	3.49	3.44
Orange	2.53	2.35	2.46	2.35
P&O	7.30	7.02	7.14	7.04
Pearson	8	7.51	7.88	7.82
Pilkington	1.65	1.60	1.65	1.62
PowerGen	6.94	6.66	6.82	6.87
Premier Farnell	5	4.90	4.94	4.98
Prudential	7.20	6.56	6.67	6.60
Railtrack Gp	9.65	9.20	9.53	9.48
Rank Group	3.44	3.29	3.41	3.28
Reckitt Colm	9.80	9.30	9.32	9.45
Redland	3.52	3.35	3.45	3.36
Reed Intl	5.98	5.72	5.78	5.86
Rentokil Initial	2.53	2.41	2.46	2.48
Reuters Hldgs	7.45	6.80	6.97	6.99
Rexam	3.29	3.21	3.22	3.23
RTZ reg	9	8.50	8.57	8.62
RMC Group	9.45	9.04	9.20	9.04
Rolls Royce	2.33	2.10	2.28	2.27
Royal Bk Scot	7	6.67	6.70	6.67
Royal & Sun All	6.04	5.85	5.94	5.87
Safeway	3.90	3.72	3.82	3.81
Sainsbury	5	4.72	4.78	4.72
Schroders	18.95	18.25	18.54	18.19
Scot Newcastle	7.05	6.89	6.90	6.89
Scot Power	4.45	4.30	4.40	4.40
Securicor	2.86	2.81	2.84	2.86
Severn Trent	9.38	9	9.06	9.18
Shell Transp R	4.43	4.21	4.34	4.35
Siebe	12.60	11.90	12.13	12.36
Smith Nephew	1.88	1.86	1.86	1.86
SmithKline	5.95	5.76	5.87	5.77
Smiths Ind	9.20	8.40	9.10	8.72
Sthern Elec	5.06	4.65	4.69	4.68
Stagecoach	7.33	7.25	7.33	7.25
Stand Charter	7.15	6.65	6.75	6.95
Tate & Lyle	4.70	4.65	4.68	4.70
Tesco	4.90	4.68	4.83	4.71
Thames Water	9.08	8.70	8.98	8.80
3i Group	5.10	4.92	5.05	4.92
TI Group	6.21	5.91	5.98	5.91
Tomkins	3.35	3	3.10	3.19
Unilever	4.78	4.65	4.73	4.66
Utd Assurance	4.98	4.90	4.90	4.96
Utd News	7.92	7.70	7.87	7.87
Utd Utilities	7.35	7.20	7.29	7.33
Vendome Lxuts	4.12	4.03	4.06	4.13
Vodafone	3.51	3.43	3.49	3.46
Whitbread	7.70	7.47	7.59	7.56
Williams Hdgs	3.86	3.75	3.84	3.76
Wolseley	5.42	5.02	5.22	5.04
WPP Group	2.84	2.80	2.83	2.81
Zeneca	19.95	19.28	19.49	19.47

Madrid
Bolsa index: 581.09 Previous: 584.83

Madrid	High	Low	Close	Prev.
Acerinox	25490	24460	24460	25280
ACESA	1840	1785	1790	1795
Aguas Barcelon	6040	5900	5940	5920
Argentaria	8370	8200	8230	8220
BBV	4405	4225	4250	4315
Banesto	1415	1380	1380	1380
Bankinter	7950	7500	7500	7700
Bco Centro Hisp	2920	2800	2805	2845
Bco Popular	8700	8290	8500	8610
Bco Santander	4515	4300	4350	4425
CEPSA	4440	4375	4375	4390
Continente	2985	2920	2950	2920
Corp Mapfre	7720	7220	7300	7560
Endesa	2725	2685	2700	2700
FECSA	1185	1155	1155	1160
Gas Natural	6940	6740	6740	6900
Iberdrola	1785	1750	1760	1760
Pryca	2435	2325	2370	2400
Repsol	6550	6440	6460	6490
Sevillana Elec	1330	1310	1310	1310
Tabacalera	10690	10100	10540	10500
Telefonica	4290	4170	4205	4220
Union Fenosa	1395	1355	1370	1380
Valenc Cement	2810	2790	2805	2805

Manila
PSE Index: 1847.78 Previous: 1832.91

Manila	High	Low	Close	Prev.
Ayala B	13.25	12.50	13.25	12.75
Ayala Land	14.50	13	14.25	13.50
Bk Philip Isl	97.50	93	97	95
C&P Homes	2.95	2.70	2.95	3.05
Manila Elec A	69	65	67.50	69.50
Metro Bank	270	252.50	270	265
Petron	4.10	2.55	4.05	4.25
PCIBank	141	138	141	140
Phil Long Dist	820	740	805	845
San Miguel B	41.50	39	41	42
SM Prime Hdg	6.40	6	6.30	6.10

Mexico
Bolsa index: 4958.44 Previous: 5058.73

Mexico	High	Low	Close	Prev.
Alfa A	69.90	66.50	67.50	68.90
Banacci B	22.20	19.96	21.10	21.65
Cemex CPO	38.25	34.50	36.00	37.95
Cifra C	15.74	14.68	15.12	15.00
Emp Moderna	40.10	38.80	39.00	39.80
Gpo Carso A1	59.40	55.50	56.20	58.50
Gpo F Bcomer	3.25	3.00	3.20	3.18
Gpo Fin Inbursa	32.80	31.00	32.00	32.30
Kimb Clark Mex	38.65	36.80	36.90	37.90
Televisa CPO	150.00	140.40	140.50	147.50
TelMex L	19.80	18.40	18.72	19.30

Milan
MIB Telematico: 15698.00 Previous: 15712.00

Milan	High	Low	Close	Prev.
Alleanza Assic	15950	15550	15790	15710
Bca Comm Ital	5200	5070	5110	5100
Bca Fideuram	7190	7050	7050	7020
Bca di Roma	1723	1690	1700	1708
Benetton	28150	27150	27150	27500
Credito Italiano	4710	4590	4590	4570
Edison	9370	9150	9150	9215
ENI	10465	10275	10300	10290
Fiat	6230	6100	6190	6170
Generali Assic	39500	38900	38900	38800
IMI	17480	16700	16700	17110
INA	2595	2545	2550	2565
Italgas	6065	5940	5960	5925
Mediaset	8500	8255	8255	8300
Mediobanca	13375	13105	13105	13150
Montedison	1440	1415	1418	1419
Olivetti	1077	1052	1052	1040
Parmalat	2750	2660	2660	2680
Pirelli	5120	4995	5035	5070
RAS	15420	15260	15285	15220
Rolo Banca	24700	24100	24100	24000
S Paolo Torino	13900	13560	13700	13900
Telecom Italia	11440	11150	11150	11300
TIM	6940	6800	6805	6790

Montreal
Industrials index: 3480.75 Previous: 3442.20

Montreal	High	Low	Close	Prev.
Bce Mob Com	45.90	45	45.90	45½
Cdn Tire A	30¼	30	30¼	29¼
Cdn Util A	39.60	39.55	39.55	39.65
CT Finl Svc	47	46	47	45½
Gaz Metro	18.40	18¼	18.40	18½
Gt-West Lifeco	32¼	32¼	32¼	32¼
Imasco	46.55	46.15	46.40	45.70
Investors Grp	43½	43.15	43½	43
Loblaw Cos	20.70	20.15	20.40	20½
Natl Bk Canada	19.95	19.65	19.80	19.60
Power Corp	44.40	43¾	43¾	43.90
Power Finl	44.10	43.10	43.10	42¾
Quebecor B	30.05	29¾	30	29.70
Rogers Comm B	9¼	9.15	9.15	9.05
Royal Bk Cda	75.30	74.20	75¼	74.40

Oslo
OBX index: 736.27 Previous: 732.86

Oslo	High	Low	Close	Prev.
Aker A	141	138	140	138
Bergesen Dy A	216	212	213	216
Christiania Bk	27.70	26.90	27.50	27
Den norske Bk	32.30	31.30	32	31.30
Elkem	120	115	115	118
Hafslund A	43.60	43.20	43.20	43
Kvaerner Asa	415	407	409	409
Norsk Hydro	417	410.50	416	410
Norske Skog A	257	250	252	250
Nycomed A	184	182	182	183
Orkla Asa A	661	640	643	642
Petrlm GeoSvc	531	523	525	519
Saga Petlm A	151	147.50	148	152
Schibsted	136	134	134.50	135
Transocean Off	405	405	405	410
Storebrand Asa	55.50	54.50	55	55

Paris
CAC-40: 2849.03 Previous: 2856.87

Paris	High	Low	Close	Prev.
Accor	1100	1038	1050	1070
AGF	317.20	314	316.50	314.30
Air Liquide	939	905	909	920
Alcatel Alsth	770	734	736	763
Axa-UAP	407	398.60	402.90	398.60
Bancaire	773	742	742	752
BIC	404	381	383.10	397.10
BNP	305.90	293.50	295.90	301.70
Canal Plus	1075	1055	1065	1045
Carrefour	3382	3302	3324	3284
Casino	338	333.90	337	335
CCF	352	342.60	347.50	351.50
Cetelem	642	635	640	635
Christian Dior	668	623	626	650
CLF-Dexia Fran	597	576	585	581
Credit Agricole	1311	1311	1311	1311
Danone	898	887	890	887
Elf-Aquitaine	768	746	749	750
Eridania BS	845	834	835	840
Eurodisney	8	7.80	7.90	7.85
Eurotunnel	5.80	5.50	5.65	5.55
France Telecom	209.90	206.50	207.80	206.40
Gen. Eaux	680	664	672	679
Havas	419	402	410	396
Imetal	668	658	662	668
Lafarge	409	388	388	392.50
Legrand	1129	1099	1118	1091
L'Oreal	2127	2050	2069	2082
LVMH	1068	1023	1033	1034
Michelin B	347	337	345	341.20
Paribas A	458.60	445.50	447.30	451
Pernod Ricard	279	270	270	276.50
Peugeot Cit	759	741	752	750
Pinault-Print	2640	2571	2584	2600
Promodes	1995	1930	1934	1936
Renault	171.80	166.10	170.50	169
Rexel	1592	1555	1590	1560
Rh-Poulenc A	248.90	244.20	245.90	246
Sanofi	502	496	500	493
Schneider	352	331	337	346.40
SEB	720	690	693	698
SGS Thomson	489	461	461	467
Ste Generale	892	862	865	880
Sodexho	2866	2812	2858	2810
St Gobain	885	863	865	876
Suez (Cie)	14.70	14.70	14.70	14.85
Suez Lyon Eaux	612	600	602	600
Synthelabo	659	643	650	664
Thomson CSF	173.50	167	168.90	173.60
Total B	658	639	648	637
Usinor	111.50	107	111.50	110.50
Valeo	401.90	397.30	400	403.60

São Paulo
Bovespa index: 11576.68 Previous: 11899.30

São Paulo	High	Low	Close	Prev.
Bradesco Pfd	11.61	10.60	10.82	11.30
Brahma Pfd	775.04	770.00	772.50	765.00
Cemig Pfd	58.60	52.01	54.50	56.03
CESP Pfd	105.00	95.50	100.51	101.00
Copel	17.60	16.50	16.50	17.59
Eletrobras	624.00	555.00	575.00	590.21
Itaubanco Pfd	661.00	625.00	632.00	635.00
Light Servicios	500.00	450.00	485.00	490.00
Lightpar	385.01	365.00	380.00	380.00
Petrobras Pfd	311.00	277.00	290.00	299.01
Paulista Luz	190.00	175.00	176.81	182.00
Sid Nacional	42.00	39.50	41.40	41.50
Souza Cruz	10.15	9.85	9.90	9.90
Telebras Pfd	152.50	137.00	141.00	146.70
Telemig	185.00	169.00	172.00	177.51
Telerj	172.00	155.00	156.00	165.00
Telesp Pfd	416.00	377.00	401.00	387.00
Unibanco	42.00	38.50	39.40	40.70
Usiminas Pfd	11.10	10.51	10.51	10.95
CVRD Pfd	26.20	24.50	25.00	25.51

Seoul
Composite index: 570.91 Previous: 604.86

Seoul	High	Low	Close	Prev.
Dacom	66900	61700	61700	67000
Daewoo Heavy	5780	5410	5410	5880
Hyundai Eng.	16700	15700	15700	17000
Kia Motors	8680	8680	8680	8080
Korea El Pwr	17900	16900	16900	18200
Korea Exch Bk	4800	4470	4470	4850
LG Semicon	25000	23000	23900	24800
Pohang Iron St	54000	51100	51100	55500
Samsung Display	42000	39700	40300	43000
Samsung Elec	58700	56600	56600	61500
Shinhan Bank	8060	7510	7510	8160
SK Telecom	410000	397000	400000	415000

Singapore
Straits Times: 1617.81 Previous: 1649.87

Singapore	High	Low	Close	Prev.
Asia Pac Brew	4.98	4.88	4.90	4.90
Cerebos Pac	4.40	4.26	4.38	4.38
City Devlts	7.20	6.60	6.80	7.20
Cycle Carriage	7.50	6.50	6.55	6.95
Dairy Farm Int*	0.92	0.85	0.88	0.94
DBS foreign	13.50	12.20	13.10	13.50
DBS Land	2.74	2.54	2.70	2.70
Fraser & Neave	7.50	6.60	7.35	7.20
HK Land*	2.62	2.31	2.60	2.45
Jard Matheson*	5.95	5.30	5.80	5.70
Jard Strategic*	3.46	3.36	3.40	3.50
Keppel A	5.15	4.84	4.90	5.15
Keppel Bank	2.88	2.63	2.80	2.74
Keppel Fels	4.36	3.94	4.22	4.30
Keppel Land	2.65	2.28	2.60	2.65
OCBC foreign	9.30	8.70	9.15	9.50
OS Union Bk F	5.85	5.40	5.75	5.75
Parkway Hdgs	4.66	4.40	4.66	4.54
Sembawang	5.45	4.96	5.15	5.30
Sing Air foreign	10.40	9.80	10.30	10.10
Sing Land	4.90	4.68	4.68	4.94
Sing Press F	20.90	19.50	20.10	21
Sing Tech Ind	2.25	2	2.14	2.09
Sing Telecomm	2.36	2.29	2.32	2.32
Tat Lee Bank	2.47	2.30	2.45	2.45
Utd Industrial	0.84	0.80	0.80	0.82
Utd O'Sea Bk F	9.50	8.85	9.40	9.55
Wing Tai Hdgs	2.42	2.22	2.22	2.40

*: in U.S. dollars.

Stockholm
SX 16 index: 3312.73 Previous: 3344.98

Stockholm	High	Low	Close	Prev.
AGA B	113	110.50	111	111.50
ABB A	96.50	92.50	92.50	93.50
AssiDoman	239	230	232.50	237.50
Astra A	124.50	120.50	121	122.50
Atlas Copco A	237	231	231	234.50
Autoliv	300	297	300	301.50
Electrolux B	653	615	615	650
Ericsson B	368	358	358	357
Hennes B	308.50	295	296	302
Incentive A	680	670	678	675
Investor B	378	365.50	367.50	371.50
MoDo B	262	252	253	259
Nordbanken	251.50	244	244	252
Pharm/Upjohn	261.50	258	259.50	256
Sandvik B	250	242	247.50	245
Scania B	218	194.50	194.50	213
SCA B	178	170	170	174
S-E Banken A	89	86	87	88.50
Skandia Fors	367	351	351	360.50
Skanska B	302	297	297.50	299
SKF B	217	205	207	212.50
Sparbanken A	177.50	174.50	176.50	174.50
Stora A	119	114	115	117.50
Sv Handels A	242.50	237	238	235
Volvo B	218	211	211	216

Sydney
All Ordinaries: 2561.30 Previous: 2614.90

Sydney	High	Low	Close	Prev.
Amcor	7.50	7.30	7.40	7.70
ANZ Bking	10.15	9.70	9.96	10.41
BHP	14.34	13.47	14.11	14
Boral	4.08	3.93	3.99	4.12
Brambles Ind.	27.90	26.50	27.61	27.31
CBA	16.21	15.77	15.84	16.44
CC Amatil	11.80	11.40	11.50	11.85
Coles Myer	7.06	6.75	6.92	7
Comalco	6	5.65	5.70	6
CSR	5.05	4.80	5.03	5.15
Fosters Brew	2.80	2.67	2.75	2.82
Goodman Fld	2.27	2.10	2.27	2.27
ICI Australia	11.80	11.50	11.80	11.95
Lend Lease	30.40	29.55	30.10	31.19
MIM Hdgs	1.50	1.42	1.49	1.48
Nat Aust Bank	20.35	19.72	20.20	20.75
Nat Mutual Hdg	2.29	2.16	2.25	2.35
News Corp	6.89	6.75	6.80	6.90
Pacific Dunlop	3.65	3.50	3.60	3.70
Pioneer Intl	4.12	3.90	4.06	4.07
Pub Broadcast	8.30	7.94	8.25	8.25
Rio Tinto	18.80	18.40	18.61	19.15
St George Bank	8.50	8.13	8.39	8.42
WMC	5.60	5.18	5.40	5.41
Westpac Bking	8.65	8.45	8.53	8.78
Woodside Pet	12.32	12.10	12.17	12.60
Woolworths	4.77	4.37	4.71	4.77

Taipei
Stock Market Index: 7719.04 Previous: 7825.91

Taipei	High	Low	Close	Prev.
Cathay Life Ins	130	123	127	131
Chang Hwa Bk	100.50	95	98.50	100.50
Chiao Tung Bk	71.50	68	70	70.50
China Developmt	93	87.50	91	91.50
China Steel	24.60	23.80	24.30	24.80
First Bank	103	97	101	103
Formosa Plastic	52	50	52	52.50
Hua Nan Bk	108	101	105	106
Intl Comm Bk	58	56	56.50	58
Nan Ya Plastics	54	52	53.50	54.50
Shin Kong Life	88	82	86.50	87
Taiwan Semi	123	116.50	120.50	125
Tatung	31.50	30.80	31.40	31.80
Utd Micro Elec	72	67	71	71
Utd World Chin	59.50	55	59	57

Tokyo
Nikkei 225: 17363.74 Previous: 17151.55

Tokyo	High	Low	Close	Prev.
Ajinomoto	1070	981	1060	1010
All Nippon Air	598	583	593	585
Amway	3600	3500	3500	3530
Asahi Bank	674	645	665	675
Asahi Chem	575	542	542	565
Asahi Glass	875	849	852	890
Bk Tokyo Mitsu	1730	1670	1700	1730
Bk Yokohama	539	501	539	534
Bridgestone	2850	2760	2830	2900
Canon	3200	3080	3140	3230
Chubu Elec	2010	1970	2010	1990
Chugoku Elec	1960	1900	1930	1910
Dai Nipp Print	2590	2500	2540	2580
Daiei	580	540	573	587
Dai-Ichi Kang	1080	1000	1070	1030
Daiwa Bank	467	445	450	482
Daiwa House	1190	1120	1170	1110
Daiwa Sec	724	705	720	740
DDI	4750a	4660a	4700a	4720a
Denso	2870	2780	2850	2800
East Japan Ry	5850a	5730a	5790a	5850a
Eisai	1900	1830	1900	1890
Fanuc	5060	4860	4980	4970
Fuji Bank	1210	1150	1190	1190
Fuji Photo	4900	4750	4850	4850
Fujitsu	1440	1400	1420	1450
Hachijuni Bk	1180	1140	1160	1150
Hitachi	1050	1020	1030	1050
Honda Motor	4210	4110	4200	4210
IBJ	1270	1220	1270	1290
IHI	270	259	265	266
Itochu	425	405	419	417
Ito-Yokado	6350	6200	6300	6400
JAL	417	410	412	411
Japan Tobacco	9990a	9510a	9950a	9560a
Jusco	2850	2770	2820	2770
Kajima	598	555	588	578
Kansai Elec	2080	2030	2060	2080
Kao	1800	1760	1760	1790
Kawasaki Hvy	336	315	321	340
Kawa Steel	224	212	222	224
Kinki Nipp Ry	670	666	666	679
Kirin Brewery	1080	1010	1060	1010
Kobe Steel	148	136	144	139
Komatsu	675	611	649	696
Kubota	450	420	442	424
Kyocera	7600	7280	7550	7490
Kyushu Elec	1940	1900	1920	1920
LTCB	462	450	460	465
Marubeni	371	359	360	379
Marui	2070	2020	2070	2090
Matsu Comm	4300	4140	4250	4140
Matsu Elec Ind	2190	2160	2170	2220
Matsu Elec Wk	1200	1180	1180	1220
Mitsubishi	1120	1070	1070	1120
Mitsubishi Ch	263	249	256	255
Mitsubishi El	467	437	441	437
Mitsubishi Est	1600	1520	1570	1670
Mitsubishi Hvy	667	648	648	667
Mitsubishi Mat	530	511	525	534
Mitsubishi Tr	1650	1620	1650	1700
Mitsui	996	961	973	973
Mitsui Fudosn	1420	1350	1400	1510
Mitsui Trust	459	435	450	469
Murata Mfg	4940	4940	4940	5540
NEC	1440	1410	1420	1440
Nikko Sec	1760	1680	1740	1740
Nikon	480	470	472	480
Nintendo	11200	11000	11100	11500
Nipp Express	699	650	690	671
Nippon Oil	515	492	510	497
Nippon Steel	266	256	260	259
Nissan Motor	619	600	607	616
NKK	185	168	181	173
Nomura Sec	1550	1480	1540	1560
NTT	1090b	1050b	1080b	1080b
NTT Data	6000b	5870b	6000b	5980b
Oji Paper	603	590	592	606
Osaka Gas	282	258	268	263
Ricoh	1680	1610	1670	1670
Rohm	13000	12700	12900	13200
Sakura Bk	526	510	517	530
Sankyo	4230	4020	4210	4110
Sanwa Bank	1360	1260	1330	1300
Sanyo Elec	423	396	396	413
Secom	8430	8250	8390	8350
Seibu Rwy	4850	4650	4830	4700
Sekisui Chem	910	891	900	900
Sekisui House	1040	1010	1040	1030
Seven-Eleven	9100	8990	9090	9250
Sharp	1010	995	998	1020
Shikoku El Pwr	1930	1890	1920	1910
Shimizu	579	551	570	565
Shin-etsu Ch	3230	3070	3170	3140
Shiseido	1690	1640	1680	1730
Shizuoka Bk	1280	1260	1260	1270
Softbank	4090	3850	4000	3900
Sony	10600	10200	10600	10700
Sumitomo	905	860	894	881
Sumitomo Bk	1530	1480	1500	1550
Sumit Chem	440	411	435	422
Sumitomo Elec	1680	1650	1660	1680
Sumit Metal	271	258	261	273
Sumit Trust	1030	995	1010	1060
Taisho Pharm	3330	3070	3270	3160
Takeda Chem	3560	3410	3520	3500
TDK	10400	10100	10300	10600
Tohoku El Pwr	1940	1910	1930	1950
Tokai Bank	807	795	796	820
Tokio Marine	1350	1290	1340	1360
Tokyo El Pwr	2260	2230	2250	2250
Tokyo Electron	7400	7080	7400	7560
Tokyo Gas	283	267	277	274
Tokyu Corp.	518	495	516	501
Tonen	991	941	991	942
Toppan Print	1600	1530	1590	1580
Toray Ind	710	681	697	709
Toshiba	580	552	555	577
Tostem	1800	1780	1780	1830
Toyo Trust	944	916	935	964
Toyota Motor	3730	3600	3690	3660
Yamanouchi	3240	3070	3240	3160

a: x 100; b: x 1,000

Toronto
TSE Industrials: 7068.02 Previous: 7073.80

Toronto	High	Low	Close	Prev.
Abitibi Cons.	22.60	22.20	22.40	22.35
Alberta Energy	33.80	33.35	33.65	33.45
Alcan Alum	45⅜	44.30	44.30	44.90
Anderson Expl	16.30	16	16.10	16.05
Bk Montreal	61.60	60.90	61.35	61
Bk Nova Scotia	66½	64.80	65.80	65.80
Barrick Gold	31¼	30¾	30.85	30.80
BCE	41.35	40.60	40.90	40.45
BC Telecomm	37¼	36½	36½	37¼
Biochem Pharm	36	34	36	39¼
Bombardier B	28½	27.90	27.95	27.85
Cameco	56.30	55.40	55.40	55.95
CIBC	41.45	40.40	41	40.70
Cdn Natl Rail	79.05	78	78.80	77.15
Cdn Natl Res	41½	40¼	40.60	41.10
Cdn Occid Pet	37.40	37	37.40	36.80
Cdn Pacific	43¼	42.60	43.55	42.55
Cominco	31.55	31¼	31.35	31.45
Dofasco	27	26.85	26.90	26¾
Domtar	11¾	11.60	11.70	11.60
Donohue A	31	29.85	30.45	29½
Du Pont Cda A	34½	34¼	34½	34¼
EdperBrascan	26.65	26.40	26.45	26½
Euro-Nev Mng	26.40	23¼	23.40	26.85
Fairfax Finl	370	360	365	365
Falconbridge	24½	24.10	24.15	24¼
Fletcher Chall A	22.90	22.40	22.60	22.90
Franco Nevada	36.70	34.55	34¾	36.95
Gulf Cda Res	12.60	12¼	12¼	12.45
Imperial Oil	87.60	86	86¼	86.85
Inco	32.20	31¼	31.85	31.90
IPL Energy	54.55	54.30	54½	54.15
Laidlaw B	20.95	20.65	20.70	20.65
Loewen Group	35	34.30	34.45	34½
Macmill Bldl	19.85	19.30	19¼	19.30
Magna Intl A	99.20	98	98¼	98
Methanex	12½	12.30	12.40	12¼
Moore	25.90	24¼	24.85	25¼
Newbridge Net	81½	75.30	77.35	79¼
Noranda Inc	26.95	26.15	26.30	26.60
Norcen Energy	33.60	33.15	33.20	33¼
Nthern Telecom	134	128¾	129.70	132
Nova	11¾	11.65	11.70	11¾
Onex	36½	35.15	35½	36
Pancdn Petlm	24.55	24.30	24.30	24½
Petro Cda	28.10	27.55	27¾	27.65
Placer Dome	25.10	23.70	23.70	26.20
Poco Petlm	13½	13.30	13.45	13.30
Potash Sask	120	118	118¾	119.45
Renaissance	34.10	33½	33.95	33.60
Rio Algom	28½	27½	27.60	27.80
Rogers Cantel B	23¼	23¼	23¼	23.05
Seagram Co	51½	50.10	50½	50½
Shell Cda A	27½	27	27.30	27.35
Suncor	50	49	49½	49
Talisman Eny	51	50	50.20	50½
Teck B	26.95	25.30	25½	26.90
Teleglobe	50	49	49	50
Telus	28.35	28	28¼	28¼
Thomson	35.15	34.60	35	34.60
TorDom Bank	52	50.60	50.80	50.95
Transalta	19½	19.15	19.35	19.05
TransCda Pipe	27.05	26.85	27.05	26¾
Trimark Finl	77	75	75¼	75
Trizec Hahn	37.15	36.80	37	36.85
TVX Gold	7.10	6.60	6¾	7.30
Westcoast Eny	29.10	28.90	29.10	29
Weston	103	102	103	102.65

Vienna
ATX Index: 1386.57 Previous: 1374.09

Vienna	High	Low	Close	Prev.
Boehler-Uddeh	1012	985.10	988.90	1004
Creditanst Pfd	741	728	737	734
EA-Generali	3130	3070	3085	3050
EVN	1463.50	1440	1446	1440
Flughafen Wien	507	501.70	505.20	503
OMV	1878.10	1840	1870	1833.50
Oest Elektriz	926	915.50	926	920
VA Stahl	586.80	573	584	565
VA Tech	2400	2315.10	2315.10	2311.90
Wienerberg Bau	2528	2470	2490	2470

Wellington
NZSE-40 index: 2469.75 Previous: 2609.34

Wellington	High	Low	Close	Prev.
Air N Zeald B	3.85	3.70	3.75	3.98
Brierley Invt	1.30	1.27	1.28	1.35
Carter Holt ord	3.25	3.15	3.23	3.47
Fletch Ch Bldg	5.24	4.98	5.10	5.35
Fletch Ch Eny	7.69	7.25	7.40	7.84
Fletch Ch Forst	1.81	1.71	1.74	1.82
Fletch Ch Paper	3.13	2.90	3.05	3.17
Lion Nathan	3.92	3.81	3.88	4.03
Telecom NZ	8.18	7.90	7.95	8.54
Wilson Horton	11.30	11.30	11.30	11.60

Zurich
SPI index: 3438.87 Previous: 3617.93

Zurich	High	Low	Close	Prev.
ABB B	2005	1950	1960	1950
Adecco B	535	524	525	528
Alusuisse R	1404	1377	1378	1391
Ares-Serono B	2740	2650	2650	2725
Atel R	860	860	860	851
Baer Hdg B	2330	2275	2275	2310
Baloise Hdg R	2570	2440	2490	2394
BK Vision	1245	1225	1225	1220
Ciba Spec Chem	151	148.25	150	147.50
Clariant R	1159	1130	1132	1139
Crd Suisse Gp R	211.75	209.75	211	210
Elektrowatt B	537	536	536	537
Ems-Chemie	7000	6880	6995	6960
ESEC Hdg	4070	3980	4050	4000
Holderbank B	1330	1301	1309	1300
Liechtenst LB B	565	563	563	565
Nestle R	2079	2027	2041	2054
Novartis R	2317	2280	2303	2264
Oerlikon Buehr R	191	187.50	189	189
Pargesa Hld B	1860	1850	1860	1845
PharmVisn B	888	878	888	870
Richemont A	1910	1890	1890	1890
Pirelli PC	348	340	344	343
Roche Hdg PC	12520	12355	12405	12310
SBC R	402	396.50	397.50	398.50
Schindler PC	1700	1675	1690	1675
SGS B	2825	2720	2800	2710
SMH B	854	835	844	844
Sulzer R	1150	1114	1124	1144
Swiss Reins R	2195	2165	2185	2153
SAir Group R	1948	1926	1944	1914
UBS B	1642	1613	1613	1623
Winterthur R	1550	1524	1545	1517
Zurich Assur R	607	596	599	593

The Trib Index
Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	169.45	-0.91	-0.53	+13.62
Regional Indexes				
Asia/Pacific	105.45	-0.19	-0.18	-14.57
Europe	187.13	-0.38	-0.20	+16.09
N. America	204.80	-1.71	-0.83	+26.49
S. America	165.11	-4.11	-2.43	+44.29
Industrial Indexes				
Capital goods	213.47	-2.83	-1.31	+24.89
Consumer goods	191.99	-0.73	-0.38	+18.93
Energy	199.77	-2.23	-1.10	+17.02
Finance	121.31	-0.31	-0.25	+4.16
Miscellaneous	170.68	+2.82	+1.68	+5.50
Raw Materials	174.84	-1.88	-1.06	-0.31
Service	164.46	-0.18	-0.11	+19.76
Utilities	164.19	-1.61	-0.97	+14.45

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. *Compiled by Bloomberg News.*

هكذا من الأصل

مكتبة من الأصل

PC Slump Cuts Into Softbank

Slow Japan Growth Hits Operating Profit

Compiled by Our Staff From Dispatches

TOKYO — Softbank Corp. said Friday that a slump in the sales of personal computers in Japan cut into earnings of the owner of Ziff Davis Publishing Co., the world's largest computer magazine publisher.

As a result, operating profit at the software developer and publisher fell 18 percent, to 2 billion yen ($17 million), in the six months to Sept. 30.

"The results were not the best," said Masayoshi Son, president of Softbank. "The growth in the computer market slowed on the year for the first time since PCs went on sale in Japan 17 years ago."

Pretax profit rose 38.7 percent, to 11.7 billion yen, Mr. Son said, thanks to an increase in revenue from interest payments on loans made to Softbank's overseas affiliates. Sales rose 13.5 percent, to 98.6 billion yen.

The figures were parent results and did not include the earnings of U.S. subsidiaries like Ziff Davis; Comdex, operator of the world's largest computer show, and the memory maker Kingston Technology Co. Softbank will report group results later this month.

Personal-computer sales in Japan grew just 4 percent in the three months to June. That was down from the 51 percent growth posted a year earlier, according to the Japan Electronic Industry Development Association.

Softbank said it expected pretax profit for the full year through March 1998 to rise 6.8 percent, to 25 billion yen. It forecast that net profit would rise 14 percent, to 12 billion yen.

Softbank also said that it and News Corp. were "smoothly proceeding with preparations for the launch of Japanese satellite television services next spring." The companies set up Japan Sky Broadcasting Co. in December to deliver a maximum 150 channels of digital satellite broadcasting to Japan starting in April 1998.

Softbank shares, traded on the over-the-counter market, rose 100 yen, to 4,000. The results were released after the close of trading in Japan. *(Bloomberg, AFP)*

Toyota Strives to Raise World Sales

Carmaker's Goals: 10% of Global Market and Parity With U.S. Big 3

By Andrew Pollack
New York Times Service

TOKYO — Hiroshi Okuda is talking "Global 10" again, which means trouble for the world's auto manufacturers.

"Global 10" was the 1980s battle cry of Toyota Motor Corp., which aimed for a 10 percent share of the global market. But in the early '90s, as trade tensions with the United States flared and Toyota floundered, the slogan was quietly abandoned.

Now, however, Japan's largest and most powerful auto company is out to gain market share again. Leading the drive is Mr. Okuda, the blunt-talking judo black belt who became president of the company two years ago.

Mr. Okuda, who took over in 1995, is the first leader in nearly three decades who is not a member of the founding Toyoda family. He has been shaking up the conservative company, where many managers go to work in regulation blue blazers with red company insignia on the lapels.

"He's asking us to move the company at a faster pace," Toshiaki Taguchi, a director, said.

In the United States, Toyota's sales are up 5.4 percent for the 1997 model year. The Camry, whose redesign last year was supplemented by a price cut of nearly $1,000, became the best-selling car of 1997, surpassing the Ford Taurus and Honda Accord.

Not bad for a plain vanilla car. But then dependability, not pizzazz, has always been Toyota's trademark, though there are exceptions. The stubby but cute RAV4, for example, helped to define the new category of small sport-utility vehicles.

The luxury Lexus doesn't scream "look at me," either. But its sophisticated, trouble-free technology and its quiet, floating-on-air ride have attracted attention.

Not surprisingly, it is the car of choice among Microsoft's newly minted millionaires.

Toyota, the world's third-largest automaker, already has, by its own count, nearly 9.5 percent of the world market, behind 17 percent for General Motors Corp. and 13 percent for Ford Motor Co. Thus, although Mr. Okuda said in a recent interview he hoped to achieve "Global 10" soon, he also made it clear he did not want to stop at 10 percent.

"In the near future, we want to be parallel with the Big Three, especially GM and Ford," he said.

Toyota is growing around the world. In the United States, it has enlarged its Kentucky plant, which has begun producing a new minivan, the Sienna. It is building a pickup plant in Indiana and an engine plant in West Virginia. Combined with a Canadian factory that is being expanded, Toyota will be able to make 1.1 million vehicles a year in North America within two years, compared with some 870,000 cars now.

The company also has become more aggressive with alternative vehicles. It has developed the first hybrid car for mass production, combining a battery-powered electric motor with a small gasoline engine for low emissions and greatly increased fuel economy. Called the Prius, the $18,000 car goes on sale in Japan in December.

In Japan, Mr. Okuda is crusading to recapture the 40 percent market share it lost a few years ago. It has engaged in such aggressive sales tactics — including increasing sales figures by pressuring dealers to buy their own cars — that smaller competitors are crying foul.

Despite his gung-ho approach to cars, Mr. Okuda also is accelerating Toyota's diversification into telecommunications, pleasure boats, aviation and other businesses.

So far, too, profit is soaring under his leadership, although that is largely a result of the yen's decline in the past two years.

■ Situation of Other Japan Automakers

Japan's other leading automakers are also in the midst of transformations. Here is a look at their prospects:

• **Nissan Motor Co.:** In its last financial year, Japan's No. 2 automaker finally became profitable after five years of losses, thanks largely to cost-cutting and gains from currency exchange rates. It still has to prove it can consistently design vehicles that consumers want.

• **Honda Motor Co.:** Long more successful in the United States than at home, Honda has seen its sales grow sharply in Japan after introducing successful minivans and sport-utility vehicles. In the United States, the hot-selling CR-V sport utility and the new, roomier Accord are expected to contribute to its success.

• **Mazda Motor Corp.:** After years of heavy losses and shrinking sales, Henry Wallace was installed as president last year when Ford raised its stake in the company to 33.4 percent, giving it management control. Mazda's market share in Japan has grown this year, but the company is still weak in the United States, and its debt is high.

• **Mitsubishi Motors Corp.:** This company was the first to commercialize a gasoline-powered direct-injection engine, which cuts fuel consumption significantly. It is introducing the engine into many of its products in Japan and Europe, and sales are encouraging. But these engines have high emission levels. *(NYT)*

Toshiba and NEC Report Surviving a Tough 6 Months

Compiled by Our Staff From Dispatches

TOKYO — Two major computer companies said Friday they were battling sluggish sales as NEC Corp. struggled to post an increase in earnings and Toshiba Corp. succumbed to the tough market with a profit slump.

NEC complained of tough markets, but it reported a 7 percent increase in pretax profit from a year earlier, to 65.2 billion yen ($534.7 million), in the six months ended Sept. 30.

Toshiba, however, said its six-month pretax profit at the parent company slumped 47 percent, to 25.4 billion yen.

"NEC's personal-computer business is better than Toshiba's," said Naoki Sato, senior analyst at Deutsche Morgan Grenfell in Tokyo, citing problems with sales of Toshiba's notebook computers. NEC's telecommunications-infrastructure business was also fairly strong and probably helped the profit result, he added.

NEC said weak domestic consumer demand had hurt private-sector capital investment, creating "a strong sense of stagnation through the economy."

It said growth in sales of communications equipment and computers had slowed.

Mr. Sato said NEC's pretax profit forecast of 140 billion yen for the full year looked a "bit optimistic," and he predicted the result would be closer to 126 billion yen for the period. Last year, NEC had pretax profit of 121.2 billion yen.

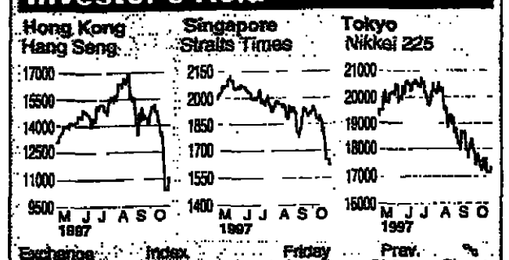
Toshiba said its pretax profit had been hurt by a poor semiconductor business and weak exports of personal computers, especially to the United States. Toshiba said it had lost market share in laptop personal computers in the United States to Compaq Computer Corp. and International Business Machines Corp.

The company also cut its forecast for parent-level pretax profit for the full ending in March 1998 to 80 billion yen from 100 billion yen.

"Sales of personal computers ran short of initial projections due to increased price competition in both the Japanese and U.S. markets," the company said.

Satoru Oyama, an industrial electronics analyst at Barclays de Zoete Wedd, said Toshiba also had been hurt by a sharper-than-expected slump in the Japanese consumer market, especially in sales of air conditioners. *(AFP, Reuters)*

Investor's Asia



Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	11,144.34	10,426.90	+6.89
Singapore	Straits Times	1,617.81	1,649.87	-1.94
Sydney	All Ordinaries	2,561.30	2,614.90	-2.05
Tokyo	Nikkei 225	17,363.74	17,151.55	+1.24
Kuala Lumpur	Composite	692.39	706.45	-1.99
Bangkok	SET	494.00	511.56	-3.43
Seoul	Composite Index	570.91	604.06	-5.49
Taipei	Stock Market Index	7,719.04	7,825.01	-1.35
Manila	PSE	1,847.78	1,832.91	+0.81
Jakarta	Composite Index	490.40	494.14	-0.76
Wellington	NZSE-40	2,469.75	2,609.36	-5.35
Bombay	Sensitive Index	3,957.46	4,009.77	-1.30

Source: Telekurs International Herald Tribune

Very briefly:

• **Japanese** department-stores sales fell 3.9 percent in September from a year earlier, the sixth monthly drop in a row, as demand for items such as electronic goods and furniture continued to slide in the aftermath of tax increases in April.

• **Hitachi Ltd.** and affiliated companies have put money into the bank account of an alleged racketeer suspected of having been paid off by **Mitsubishi** group companies, a report carried by Jiji Press said. Hitachi said it was checking into the report.

• **China** plans to buy 700,000 tons of U.S. wheat to help reduce its trade surplus, Zeng Peiyan, the head of a trade delegation visiting the United States, was quoted as saying by the Xinhua news agency; he also said China would sign contracts to buy as much as $3 billion of **Boeing Co.** aircraft during the visit.

• ***National Westminster Bank PLC*** shut its 20-person branch in Seoul; the bank said the move was part of a shift to focus business on "major markets" and was not related to the economic turmoil that has gripped Asia in recent months.

• **Metro Pacific Corp.**, the Philippine hub of Hong Kong's **First Pacific Co.**, postponed the initial share sale of its mobile-phone unit, **Smart Communications Inc.**, citing the volatility in Asia's markets.

• **Singapore Airlines Ltd.**'s group net profit rose 10 percent, to 615.9 million Singapore dollars ($389.7 million), in the six months ended Sept. 30 as revenue rose 11 percent, to 3.9 billion dollars.

• **Vietnam**'s trade deficit fell 41 percent in the 10 months ended Friday, to $2.07 billion. Imports fell 2.4 percent, to $9.14 billion, while exports rose 20 percent, to $7.06 billion.

• **Taiwan International Mercantile Exchange Corp.**'s president, Richard Chen, said the long-delayed futures exchange would not open as planned this month; he cited bureaucratic delays and said he was not sure when the exchange would open.

Bloomberg, AFP, Reuters

THE FUND PERFORMANCE FOCUS

The I.H.T. would like to remind its readers that past performance is no guarantee of future results and that the value of an investment and the income from it can go down as well as

ABN·AMRO BANK

LATIN AMERICAN EQUITY FUNDS

Open-end investment funds which are marketed across national borders and invest in equity securities of Latin American companies, excluding funds specializing in single countries.
Ranked on % total return (dividends reinvested) in U.S. dollars for one year ending September 26, 1997

Fund Size*	Fund Name	Curr.	Legal Base	% Return in U.S.$** YTD	1YR	2YR	5YR
LEADING 15 PERFORMERS							
31.8	ABN Am F-Lat Am Eq	US	LUXEMBOURG	44.98	50.15	34.51	N/A
12.8	Lazard GEF-Lat Amer	US	DUBLIN	40.64	48.20	30.78	N/A
1278.5	Schroder Lat America	US	GUERNSEY	43.48	47.51	32.47	25.49
49.6	CL Lion-Fortis Lat Am	US	LUXEMBOURG	41.94	47.42	32.69	N/A
49.4	Mercury Sel-Lat Amer	US	LUXEMBOURG	44.77	47.39	31.76	N/A
100.4	Lloyds IP-Latin Amer	US	LUXEMBOURG	43.82	46.69	N/A	N/A
11.6	Scudder GO-Lat Am Al	US	LUXEMBOURG	41.21	46.16	31.28	N/A
6.6	ML Eq/Cnv-Lat Amer P	US	LUXEMBOURG	44.49	46.04	N/A	N/A
31.2	DSB-Thorn LAS-Congst	US	DUBLIN	39.25	45.97	28.52	N/A
10.3	Garmoore CS-Lat Amer	US	JERSEY	44.46	45.87	N/A	N/A
56.6	ML Eq/Cnv-Lat Amer O	US	LUXEMBOURG	44.27	45.81	26.60	16.21
15.0	AIG Lasn America	US	DUBLIN	41.49	45.74	26.91	N/A
14.6	SingerBF IF-Assoc	UK	DUBLIN	40.53	45.09	21.46	N/A
30.5	Scudder GO-Lat Am Bl	US	LUXEMBOURG	40.40	45.04	30.27	N/A
109.6	ML Eq/Cnv-Lat Amer B	US	LUXEMBOURG	43.99	44.73	25.65	15.31

NOTE: Changes in currency conversion rates will affect performance and rankings.
KEY: * millions of US$ at latest available quarter end ** 2YR and 5YR performance is annualized N/A fund not in existence for entire period or incomplete data
Source: Lipper Analytical Services International 47 Maple Street, Summit NJ 07901 USA FAX 1-908-273-6184

THE FUND (*)
Total net assets: USD 302.7 USD
Top-3 investments: - 10.3% Telebras - 5.6% Eletrobras - 5.1% Petrobras
Top-3 countries: 52.2% Brazil 21.0% Mexico 10.4% Argentina
(*) Per 31 August, 1997

THE BANK (***)
World ranking: 8
European ranking: 4
Number of employees: 73,689
Total countries: 71
Total assets: USD 397 billion
Group capital: USD 25 billion
(*) Per June 30, 1997

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*Source: Micropal, offer to offer, gross income re-invested. 1.10.96 - 1.10.97 in US Dollars. Since launch 15.1.96 - 1.10.97 performance 144.85%. Past performance is not necessarily a guide to the future. Fluctuations in the value of the underlying securities and the income from them and changes in interest and exchange rates mean that the value of this investment and the income from it can fall as well as rise and are not guaranteed. Investors' attention is drawn to the fact that political, economic and settlement risks in China are significantly higher than in more developed markets, whilst accounting, regulatory and legal standards are significantly lower. The Guinness Flight China Fund is a sub fund of Guinness Flight Select Funds PLC. Minimum investment: £2,000/US $3,000. For your protection telephone calls may be recorded. Issued by Guinness Flight Hambro Asset Management Limited, regulated by IMRO and The Personal Investment Authority. 2881/97

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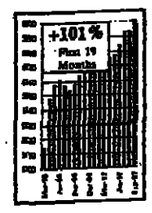
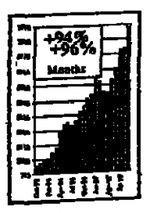


Magnum U.S. Equity Fund Ranked #1 Multifund in the World with a U.S. Geographic Concentration for Calendar Year 1996, and again for 12 months ending July 1997, by *Lipper Analytical Services*. (Up 42% for 1996 – double the S&P 500 Index.)



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5

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Fund/Manager	Investment Category	ROR to 9/30/97	% Positive Months/ Std. Dev.
Finsbury Group Limited Shenkman Capital Mgmt.	US High Yield Debt	16.33% *(from 12/31/90)*	83.95% 6.30
Forest Fulcrum Limited** Forest Mgmt.	US Convertible Debt	16.16% *(from 07/01/94)*	94.59% 4.24
The Merger Fund Ltd.** Green & Smith Capital Mgmt.	US Equity/ Merger Arbitrage	14.94%	100.00% 2.54
PIMCO Stocks PLUS Series** Forest Mgmt.	S&P500 Index Tracking	43.18% *(from 12/31/96)*	77.78% 18.15
Winchester Convertible PlusUS Convertible Oaktree Capital Mgmt.	Debt	20.13% *(from 12/31/90)*	87.65% 6.67

* Statistics based on estimated NAV as of 09/30/97.
** The managers of these funds have U.S. entities employing substantially the same investment policies since 1990 (Green & Smith) and 1987 (PIMCO), respectively.

For further information contact Anne-Marie da Silva at Olympia Capital International's Bermuda office, at 01 (441) 298-5007 or via fax at 01 (441) 295-2305.

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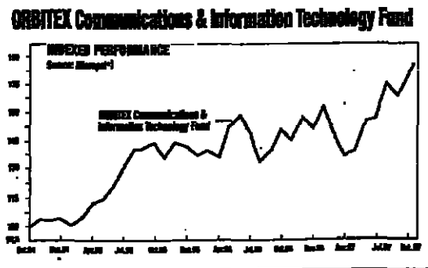

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NASDAQ

Friday's 4 P.M.

The 1,000 most traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

NYSE

Friday's 4 P.M. Close

(Continued)

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International Herald Tribune

THE MONEY REPORT

SATURDAY-SUNDAY, OCTOBER 25-26, 1997
PAGE 19

MONDAY: SPORTS

Amid a Stormy Pacific, Australia Is an Island of Opportunity

By Michael Richardson

AMID THE convulsions that have rocked Asian stock markets and currencies, analysts say Australian equities still look attractive. The value of shares on the Australian Stock Exchange has tumbled nearly 8 percent this month, mainly on concerns that Wall Street is overvalued and on Asia's economic woes.

But the All Ordinaries Index, a broad measure of the market's performance, is up about 6 percent since the the start of the year and the fall of nearly 4 percent on Thursday and Friday was much less than the routs in Hong Kong and other East Asian markets that precipitated it.

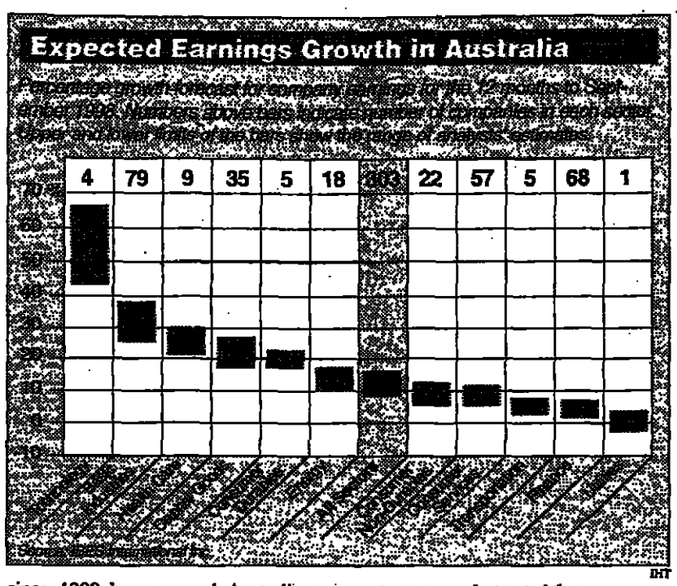
"Australia is perceived as a safe haven from the volatility of markets elsewhere in the Asia-Pacific region," said Greg Barnes, Investment Director at Jardine Fleming Australia Management Ltd.

With the risks of investing in many regional markets increasing as their currencies plummet and high-growth economic forecasts are downgraded, analysts and fund managers say the advantages of investing in a mature, well-managed country such as Australia — the fourth-largest economy in the Western Pacific after Japan, China and South Korea — are obvious.

At the same time, there is a growing awareness among international investors that corporate Australia is not the laid-back entity of popular perception. "Foreign investors are now recognizing that they have got to change their prejudices about Australia," said David Rickards, research director at Macquarie Equities Ltd. "Australia is no longer a highly protected, high-inflation economy."

Australia endured a severe recession in the early 1990s. Before that, annual inflation averaged 10 percent; subsequently, it has been less than 2 percent, while annual wage increases have averaged 3 percent.

Economic and financial reforms since 1980 have opened Australia to international competition, forcing firms to restructure and become more efficient. "Companies are now keeping a lid on their wage costs and profit growth will pick up as a result," said Shane Oliver, Chief Economist at AMP Investments Australia Ltd.



He predicted that earnings would rise 10 to 15 percent in the year to June, and 10 percent more in 1998-99, following a meager 1 percent increase in 1996-97 and a 5 percent fall in 1995-96. If he is right, the All Ordinaries Index should be trading above 2,850 by mid-1998, up from the current 2,561 at the close of trading Friday.

Michael Fry, Head of Equities at SBC Brinson, an institutional asset management unit of Swiss Bank Corp., also forecast solid earnings growth for the next two years, but noted that corporate earnings surprises had tended to be on the negative side.

Still, SBC Brinson, like many other fund managers, is overweight on Australia. "It's not a very bullish scenario," Mr. Fry said. "But in a global context, where many markets, including the United States, are looking expensive, we can see value in Australia."

The government has predicted Australia's gross domestic product will expand 3.75 percent in the budget year to June 30, 1998. Prime Minister John Howard has said the economy has the capacity to grow at an annual rate of 4 percent. With a federal election due next year, he would like to quickly reach that target quickly and cut unemployment, now more than 8 percent of the workforce.

The Reserve Bank, Australia's central bank, has cut its benchmark short-term interest rate five times since mid-1996, most recently by half a percentage point, to 5 percent, on July 31.

Mr. Rickards said that in the current low-inflation environment, there was room for the bank to make a cut of 50 basis points in the benchmark rate, to 4.5 percent, before the end of 1997.

Greg Chapman, portfolio manager of Australian equities at County Investment Management Ltd in Melbourne, a unit of National Australia Bank Ltd., said Southeast Asia's economic troubles and drought in Australia could shave up to half a percentage point off GDP growth in the year to June.

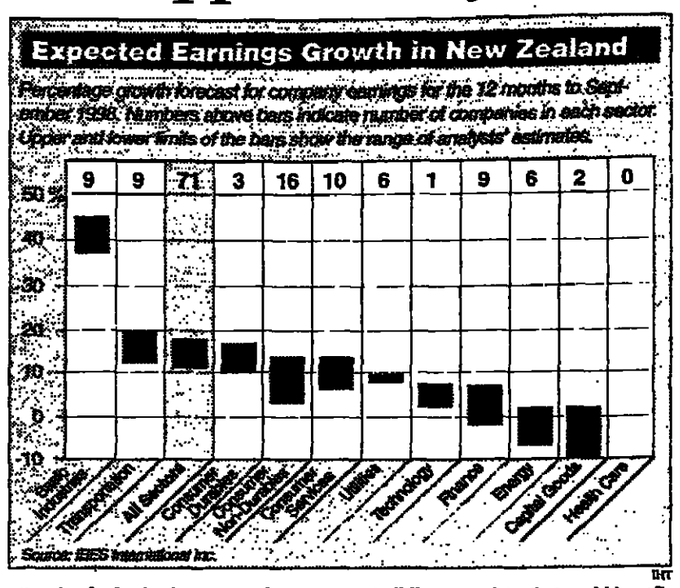
Many analysts said they did not think Southeast Asia's slowdown would have a major impact on Australia's economy. Most of the country's merchandise exports go to other parts of Asia, and Australian companies have limited investment exposure to the region. About 15 percent of Australia's exports go to Southeast Asia and 40 percent to Northeast Asia.

"If the Southeast Asian economies bounce back by 1998-99, as we think they will, the region's slowdown will have only a dampening effect on Australian growth," Mr. Oliver said. "The really bad scenario for us would occur if the economic crisis spread to South Korea, China and Japan, because a much larger proportion of our exports would then be affected, including major earners like energy and food."

In the last decade, deregulation and privatization have greatly diversified Australia's stock market, as a range of large and small companies have listed.

The next such listing involves the partial privatization of the government-owned telecommunications company, Telstra Corp. The government hopes the sale of its stake will fetch 14.2 billion Australian dollars ($10.14 billion). Telstra shares are to start trading Nov. 17.

As a result of such market expansion, the resources sector — once the main attraction for foreign investors — has seen its weighting on the All Ordinaries Index shrink from about 50 percent in 1987 to 20 percent today. The industrials sector, which includes manufacturing, media, insurance and transport companies as well as banks and property trusts — has increased to 80 percent in the same period.



"Australia now has a much larger and better-balanced stock market, which makes it more attractive for foreign investors," said Richard A. Beaurepaire, joint head of Asia Pacific Research at Deutsche Morgan Grenfell Securities Australia Ltd. "Banks now account for about 22 percent of the index, while telecommunications, tourism and leisure and health care and biotechnology are all becoming more strongly represented."

Mr. Oliver said resource stocks now looked cheap as did some cyclicals, such as building materials, that could benefit as housing construction picked up.

Outside of the banks, Macquarie Equities recommended Brambles Industries Ltd., an international transportation-services concern. It also likes the turnaround prospects of Amcor Ltd., a paper-and-packaging company that is shedding assets in response to significant international competition in its industry.

For further information, contact:

- AMP INVESTMENTS, 61 2 92575000.
- COUNTY INVESTMENT MANAGEMENT, 61 3 96207227.
- DEUTSCHE MORGAN GRENFELL SECURITIES, 61 2 92581234.
- JOHN FAIRFAX HOLDINGS LTD. has a web site with prices, company background and other information at www.tradingroom.com.au
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Q & A / **Edward Shann**

Two Decades of Reform Squeeze Out Inflation

WITH THE latest shocks to the Southeast Asian financial systems, slow growth in Europe and Japan, and high valuations of U.S. stocks, investors are casting about for stock markets that offer growth prospects without the risk of double-digit declines. A series of market-opening reforms that began about two decades ago and helped it diversify away from a minerals-dependent economy has drawn interest to Australia, which has so far weathered the crises that are buffeting Asian markets. Edward Shann, director of the consultancy Access Economics Pty., discussed the country's outlook with Michael Richardson.

Q. Australia is a large country with a rich natural-resource base. Should its economy be growing faster than the current annual rate of 3.2 percent?

A. That's about the historic average. It's faster than the growth rate of most developed countries. But most economic commentators in Australia feel that we ought to be able to do better. It depends on getting the right policies in place.

Q. Is there room for the Reserve Bank, Australia's central bank, to cut interest rates again?

A. I don't think the bank is constrained by inflation or inflationary expectations, both of which are below the bank's target band of between 2 percent and 3 percent. The question is whether they have already cut rates enough so that, after a lag, the economy will gather pace. We think this will happen and that Australia's economy will grow by 4 percent to 5 percent in calendar 1998, helping to bring unemployment down from its level of 8.5 percent of the workforce. So we don't think that the bank needs to cut rates again, although it could do so if the growth doesn't materialize.

Q. What impact is the economic slowdown in Southeast Asia likely to have, following the currency and stock market falls in Hong Kong, Thailand, Indonesia, Malaysia and the Philippines?

A. Ultimately, it will depend on how severe the slowdown turns out to be and how long it lasts. Australia would be the worst-affected of the developed countries, closely followed by Japan. Australia sends about 15 percent of its exports to member states of the Association of South East Asian Nations. A number of Australian firms have reasonably substantial investments in ASEAN. We also get a lot of tourists from the region.

A rule of thumb would be that a 2.5 percent reduction in ASEAN economic growth would cut Australia's GDP growth by 0.25 percent. If Northeast Asia is affected by Southeast Asia's downturn, then it becomes more serious for Australia because Northeast Asia takes about 40 percent of Australia's exports.

Q. Australia used to have high growth rates in both wages and inflation. Has that changed permanently?

A. Financial markets are assuming that Australia's inflation rate will average under 2 percent for the next 10 years. I think that's probably on the optimistic side; it is more likely to average closer to 3 percent. But unless some nasty shock occurs, we will have much lower inflation than we had in the 1980s.

Q. What have been Australia's key economic and financial reforms since 1980?

A. The first was deregulation of financial markets and removal of exchange-rate controls in 1983. A floating exchange rate made monetary policy much more effective. The removal of exchange controls allowed Australian companies to invest overseas. The other big change was in the reduction of tariffs after 1983. That opened the manufacturing sector to competition and made it start thinking internationally.

Mr. Shann of Access Economics.

Q. Which areas of the economy still need to be reformed?

A. The public sector still has considerable progress to make. Australia is more complicated than some other countries because it has a federal system of government and most of the public enterprises are owned by state, not federal, governments. Most states haven't privatized on any scale.

Australia is still in the process of opening up sectors of the economy internally. Deregulating the labor market is part of that. We have moved from a system where wages were fixed by a central authority with equal increases in all companies and industries.

ACCESS ECONOMICS offers advice to corporate and government clients. It can be reached by telephone at 61 3 96 06 06 32 or by fax at 61 3 96 06 06 75.

New Zealand: Nowhere to Go But Up

By Judith Rehak

THE WAVES of selling sweeping through the Pacific Rim's stock markets finally spilled over into New Zealand on Friday. Previously unscathed by Southeast Asia's currency turmoil, its benchmark Top 40 index had been hitting highs, but it closed the day down 5.35 percent, its biggest one-day drop in four years.

Nevertheless, this island nation of only 3.5 million people is one of the few places where equity strategists are still resolutely looking to better times.

Their attitudes are understandable. After two years of painfully high interest rates, anemic consumer spending and an ultra-strong currency, New Zealand's economic growth, expected to be a feeble 2 percent this year, is beginning to show signs of life. Benchmark 90-day bank rates stood at 8.235 percent on Friday, down from 10 percent a year ago, the currency has fallen, and the central bank has said it is unlikely to raise rates before the end of 1998. Impending income-tax cuts are expected to get consumers shopping again, and government-financed infrastructure projects will inject cash into the economy.

"The economy has been in a trough, but we're revising our forecast upwards, probably to 3.5 percent for calendar year 1998," said Stephen Toplis an economist at Doyle Paterson Brown, a Wellington brokerage owned by Bankers Trust New York Corp. Worries that New Zealand's recovery will be dampened by Southeast Asia's problems have been exaggerated, in Mr. Toplis's view. He pointed out that only 7 percent of its exports go to countries that are experiencing the most turmoil, such as Thailand and Malaysia. Talk of increased competition from Southeast Asia because its products will be less expensive is "nonsense," he argued, since they are already significantly cheaper.

Still, the biggest consumer of New Zealand's exports, roughly 20.3 percent for the year to last August, is Australia, and if its economy, which is more dependent on Southeast Asia, slows, it is bound to impact its neighbor.

That said, many New Zealand strategists are sticking close to home, betting on reasonably priced companies that they see as benefiting from a stronger domestic economy, or targeting turnaround plays in companies that had poor showings last year.

Clark Perkins, head of equity research for J.B. Were & Son in Auckland, is recommending New Zealand's two major newspaper publishers, Independent Newspapers Ltd. and Wilson & Horton Ltd. Between them, they control nearly all the country's newspapers, and stand to benefit from a rising volume of advertising, said Mr. Perkins. With tax cuts putting more cash in the buying public's pockets, he also likes Warehouse Group, the first general merchandise retailer in New Zealand to open the popular no-frills superstores. "They've been taking market share, and there are more opportunities as they open new stores over the next two years," he said. Warehouse posted earnings of 35 million New Zealand dollars ($21.8 million) in the year ending July 1997, and J.B. Were is forecasting 41 million dollars for 1998.

Retailers also are on the buy list at Doyle Paterson. Hallenstein Glasson Holdings Ltd., a clothing store group, was described by Doyle's Roger Armstrong as "extremely well run," and poised to take advantage of economic recovery. Hallenstein is adding stores and Mr. Armstrong said he expects sales — 161 million dollars for Hallenstein's year ending Aug. 1 — to rise a moderate 7 percent next year. But most important, he said, were its margins, already improving in the second half of this year.

In the turnaround category, Kevin Bennett, Doyle Paterson's equity research chief, is looking for a rebound at Air New Zealand Ltd. The airline's profits for the year ending June slumped 33 percent, to 150.2 million dollars, hit by New Zealand's weak domestic economy, and strong currency, which made it costly for tourists. Not only are exchange rates favorable now, but Mr. Bennett said ANZ's prospects are enhanced by new alliances with Singapore Airlines Ltd. and United Airlines.

ANZ has also bought half of Ansett Australia Ltd., the domestic Australian airline, and Mr. Bennett expects it to whip the unprofitable company into shape.

ANZ's B shares, which are available to foreign investors, closed at 3.75 dollars on Friday. Mr. Bennett forecast a price of 5.00 dollars in a year's time, in addition to a healthy 5 percent dividend yield.

Another candidate for recovery is Fletcher Challenge Paper, which is on the buy list at both brokerages. The company lost 385 million dollars last year, but that was mostly because of restructuring costs, said Mr. Perkins of J.B. Were. He approves of Fletcher's strategy of getting out of commodities with poor pricing dynamics, namely pulp and fine papers, and its consolidation into more profitable newsprint by buying the half of Australian Newsprint Mills it did not already own.

A favorite of international investors is Telecom Corp., which represents a quarter of New Zealand's stock-market valuation and is 49.9 percent owned by Bell Atlantic Corp. and Ameritech Corp. Before the market's fall on Friday, Andrew White of J.B. Were had a "reduce" rating on the stock because he considered the shares to be roughly 6 percent overvalued. While he likes the company longer-term, he warned that its shares were volatile because of heavy institutional buying and selling.

For further information, call:

- DOYLE PATTERSON & BROWN, 64 4 471 0470.
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Fletcher Challenge Paper and Telecom Corp. are traded in the United States as American depositary receipts and Air New Zealand B shares are traded in Australia.

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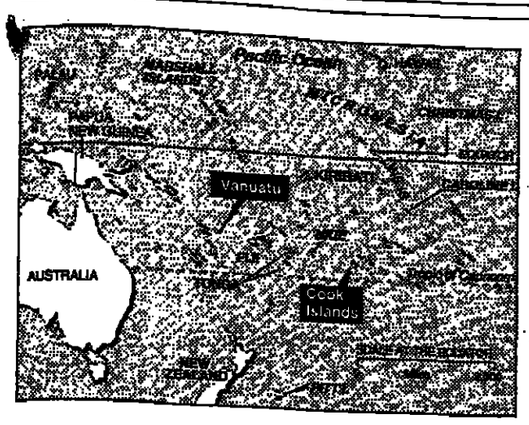

Farther Offshore: South Sea Havens

Vanuatu and the Cook Islands Exploit the Australasian Niche

By Conrad de Aenlle

UNTIL BANKS open in Antarctica, the Cook Islands will probably be the world's most remote financial center. The small archipelago lies 2,200 miles northeast of New Zealand, farther from any major land mass than even Vanuatu, the other important offshore center in the Pacific.

The two countries are trying to get their slices of the wealth generated over the last two decades in Australasia, offering the usual lineup of tax-advantaged, offshore financial services: banking, fund investment and trust services.

Vanuatu, held jointly by France and Britain until 1980, has 80 islands and 175,000 inhabitants, compared with 15 islands and 19,000 people in the Cooks, which was held by New Zealand from 1901 to 1965.

Vanuatu is the larger banking center. Its major banks handling offshore business are affiliates of two Australian banks, Westpac Banking Corp. and Australia & New Zealand Banking Group Ltd., and Bank of Hawaii. An affiliate of Bank of Bermuda does business in the Cooks.

Interest rates on foreign-currency savings accounts in Vanuatu are generally within half a percentage point of world-market rates, said a spokesman for ANZ in Vila, the capital.

Vanuatu has offices of the international accountancies KPMG Peat Marwick, which is also in the Cooks, and Price Waterhouse, and local firms to handle trust and company formation and administration.

The Cooks' financial center on Rarotonga, the main island, is larger than Vanuatu's in terms of fund management. Nine retail funds, with assets totaling $100 million, are domiciled there, according to Lipper Analytical Services, the fund research company. Vanuatu has $40 million in 17 funds.

Most Cooks funds are run by ED&F Man Group PLC, which specializes in funds that guarantee the return of a shareholder's capital, typically after five or seven years. Hanne Dyg, a company spokeswoman, said that most of its Cook Islands funds were marketed to wealthy Australians through a partnership with Ord Minnett Securities, a Sydney company recently acquired by Robert Fleming Group.

Mrs. Dyg said it was difficult for new investors to buy into the funds because of the guarantee structure, which can involve complicated strategies that must be implemented at the start of a fund's life and left in place until it is wound up. After an initial subscription period of several weeks, no further investment is accepted, although there sometimes is a secondary market in which shares can be bought from an owner wishing to cash out early.

The Cooks is a center for asset-protection trusts, which are vehicles designed to keep creditors and judges away from one's wealth. They are shunned by many lawyers and trust companies, either for ethical reasons — creditors' claims are often just — or practical reasons — they often do not hold up in court.

Business in both centers comes mainly from the region. But in the Cooks, much of the trust clientele comes from the western United States.

"There's an Australia-New Zealand connection to these places," said Stig Eriksen, editor of the Offshore Fund Industry Directory, published by Lipper Analytical. "They're seen as having the potential to grow as centers for Australian- and New Zealand-based companies."

The Cooks use the New Zealand dollar. Vanuatu uses its own currency, the vatu.

"Time-zone considerations are far and away the major reason why somebody would use a Pacific center instead of a European or Caribbean center," said Thomas Bayer, executive chairman of Pacific Fund Managers, which does trust and fund-management business in Vanuatu. "If you live in Asia and need to talk to people, you need someone in the same time zone. It is for this reason that there are very few European or East Coast America clients using the Pacific jurisdictions."

One advantage of the Pacific islands is that costs are lower than in other offshore centers because office rents and salaries are modest, Mr. Bayer said. One disadvantage, he acknowledged, is that regulation may not be as strong as in larger jurisdictions.

"Small, remote centers have a reputation for being less safe and less well-regulated," he said. "On balance, it is probably true in that because of their smallness, the governments involved do not have sufficient infrastructure to properly regulate their industries."

Vanuatu is an exception, he added. The offshore markets have reached "critical mass" sufficient for the government to enhance fraud regulations.

The reputation of the Cooks was tarnished several years ago, he said, by "the wine-box affair," in which documents found in a wine box implicated New Zealand companies in questionable practices using Cook Islands legal structures. It also raised doubts about how well client confidentiality is safeguarded, he said. An investigation by New Zealand police found no wrongdoing, however.

James Hughes, a New York trust lawyer, said that pressure from New Zealand, the Cook Islands' one-time colonial master, helped keep the regulatory regime solid.

"New Zealand banking authorities have been careful to see to it that their dependencies are in compliance with their regulatory requirements," he said.

The Pacific centers seem consigned to remain at the margins of offshore finance. Offshore centers exist mainly to help people avoid tax. Because taxation is low in most parts of Asia, Vanuatu's and the Cooks' largest natural constituency, there is little to avoid. Also, Japan restricts the use of offshore centers.

For further information:

• AUSTRALIA & NEW ZEALAND BANKING CORP., Vanuatu office: telephone: 678 22536; fax: 678 22814.

• EDF MAN. For information on its Cook Island funds, call its Switzerland office at 41 55 415 3636.

• PACIFIC FUND MANAGERS. For information about opening a bank or investment account or starting a trust, contact the firm in Vanuatu at 678 23410 by phone or 678 23405 by fax, or in London at 44 171 235 5090 by phone or 44 171 924 3687 by fax. The e-mail address, shared by several companies, as Internet connections in Vanuatu are expensive, is Security@Vanuatu.com.vu

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The Little Investor That Can: Strategies That Work

JAMES GLASSMAN *ON INVESTING*

ON MONDAY afternoon at 12:40, a bulletin flashed across my Bloomberg Business News computer terminal: Banc One Corp., the Ohio holding company that owns 1,502 banking offices in 12 states, had agreed to buy First Commerce Corp. of New Orleans for $3 billion in a stock swap.

I quickly typed "FCOM" into the machine. First Commerce was trading at $66.50, up $8.50 from Friday's close. I had made a lot of money. But I could have made a lot more, and therein lies a tale with three lessons for small investors.

First Commerce was the only stock I owned since starting to write for The Washington Post four years ago. As there was a potential for terrible conflicts when financial writers own individual stocks, my portfolio consisted only of equity mutual funds and Treasury bonds, but First Commerce, my editor and I agreed, would be an exception. I would not write about it nor similar regional banks.

The reason First Commerce was grandfathered: I could not write about the company anyway since its chief executive, Ian Arnof, was one of my best friends. My own roots with the company went back to 1972, when the bank lent me (a 25-year-old newcomer to New Orleans with no track record and no assets) $20,000 to start a weekly newspaper.

I few years later, after selling the paper, I went to work part-time for the bank's brilliant chief executive, a high-principled lawyer named Tom Rapier, who ran the company his own way, not worrying about quarter-to-quarter earnings, weeding out bad credit, keeping his eyes on a larger prize.

In 1983, Mr. Rapier died suddenly of a heart attack at 50 and was followed by Mr. Arnof, 43, whose family owned a small bank in Arkansas. Mr. Arnof was as principled as Mr. Rapier had been but he knew more about credit, marketing, technology and finance in general. It was clear to me that, whatever happened to the New Orleans economy (and it soon fell on hard times), Ian Arnof knew how to run a bank and, by means that I could not possibly guess at the time, would make it work. That's when I started buying stock; it was an act of faith, but informed faith.

Thus, Lesson 1: The best possible reason to own shares in a company is that you respect its management. It's a bonus if you actually know the management, as I knew Ian. But it's not difficult to learn about the people who run companies and, if you are impressed, to place your confidence in them.

As the years passed, a pattern developed. Mr. Arnof, like Mr. Rapier before him, did not hesitate to take losses in the bank's securities portfolio when interest rates rose. There was a distinct tax advantage in selling bonds whose prices had fallen and replacing them with higher-yielding ones.

"Why didn't other banks do this?" I once asked Mr. Rapier. Because, he said, selling these bonds meant reducing earnings in the short term, even though it meant raising them by more in the long term. Mr. Rapier and Mr. Arnof also aggressively wrote off bad loans, again reducing their profits in the short term to make the balance sheet more solid.

As I watched this process unfold, I saw, to my surprise, that many professional analysts and fund managers did not understand it. The latter would sell when First Commerce's profits took a temporary decline. The stock would drop, so I would add to my holdings.

Lesson 2: Load up. If you like a stock, keep buying, especially at attractive prices.

By 1993, First Commerce stock represented about 15 percent of my financial assets. That is a big bet for a single stock, and it would become bigger as the price rose.

Deregulation was creating a favorable environment for regional banks, which became takeover targets. First Commerce, meanwhile, expanded throughout the state, buying other banks and cutting overhead. It had the best ATM network in the region and a strong credit-card division.

The only problem was that the stock was not doing much. While it doubled in 1991, it languished over the next few years. Still, as a long-term holder, I was not bothered. I used the generous dividends to buy more.

In 1993, First Commerce was stuck between $25 and $30 a share. When interest rates rose in 1994, it fell, eventually to $22. I bought more, content to wait — not necessarily for a buyout, but for the market to comprehend what a strong performer this bank was.

Then, in early 1995, the stock began to rise. Late last year, it hit $40, and I was sorely tempted to sell. At 15 times earnings and two times book value, First Commerce priced far above any level in its history. I resisted the urge.

First Commerce burst through $40 and $45 and then, in late July 1997, through $50, a price that was truly absurd. After much hesitation, in September I sold half my holdings at $56. That was a price-to-earnings ratio of 18 for a company which, not long ago, was trading at a P/E of about 9.

Lesson 3: I never should have sold. On Oct. 20, Banc One bought the company for $68.64 per share in its own stock, an incomprehensible P/E of 21, about triple its book value.

Washington Post Service

Sizzling Sydney Keeps Drawing Residents

By Aline Sullivan

IT'S SPRINGTIME IN Sydney, but the property market is already hot. Real estate agents say that residential prices in the city and some of its suburbs are expected to rise by at least the 20 percent recorded in the past 12 months, while values in the newly fashionable inner-city neighborhoods could jump 40 percent.

Record-low interest rates and a shift away from the suburbs are fueling this enormous demand for Sydney apartments.

"The image of Sydney with its vast, sprawling neighborhoods of detached houses each on one quarter of an acre of land is changing," said Jeremy Alpe, managing director of Richard Ellis Residential Property Ltd. in Sydney. "People are tired of traveling and they want to enjoy city life."

At the same time, increasing numbers of Australians are either single, because they marry late, or are so-called empty-nesters, whose children have left home. These people, too, want to be in the city, Mr. Alpe said.

Newtown, a city neighborhood next to the University of Sydney, where a 40-square-meter (430-square-foot) studio currently costs about 180,000 Australian dollars ($128,000) and a two-bedroom apartment about 290,000 dollars, could be the next area to boom, Mr. Alpe said. The success stories of the past year, the neighborhoods of Balmain and Glebe, should record further substantial price rises, he said.

Apart from Melbourne, where residential values have climbed on average 10 percent in the past 12 months, agents were less enthusiastic about Australia's other cities. Plenty of people are eager to take advantage of mortgage rates as low as 6 percent for first-time buyers — the cheapest since the 1960s — but most want to be in Sydney.

"The rest of Australia is like a different country," said Richard Harcourt, general manager of residential real estate at Jones Lang Wootton. "Sales are sluggish in many cities. But in Sydney, the number of new apartments has doubled to 5,000 since 1992, and consumption is matching supply. I certainly expect at least the same level of price rise this year."

A hefty part of demand comes from foreign buyers. A surprisingly high proportion of visitors to Australia decide to stay put, despite restrictions on foreign ownership that effectively limit them to buying apartments in the planning stage. Established buildings and most houses are reserved for Australian residents.

A recent analysis by Jones Lang Wootton demonstrated that a quarter of residential sales in Australia were made to foreigners, more than half of whom flock to Sydney, mainly from Hong Kong, Indonesia and Singapore.

European buyers yearning for a more laid-back lifestyle and a respite from harsh winters have not been in evidence this year. Mr. Harcourt said he was confident that the recent currency crisises in Asia would have little impact on foreign interest.

In New Zealand, the outlook is quite different. Gains of as much as 100 percent for some properties this decade have proved too much of a good thing.

"Auckland is overpriced now so sales are slow," said Marlene Drummond, an agent at Barry Gillespie Real Estate in Auckland. "Christchurch properties are moving faster because prices there are still reasonable. But I don't expect any big price rise soon."

For more information, contact:

• BARRY GILLESPIE REAL ESTATE in Auckland; telephone: 64 9 425 7889.

• RICHARD ELLIS RESIDENTIAL PROPERTY LTD. in Sydney; telephone: 61 2 92 40 93 01; fax: 61 2 92 47 93 62.

• JONES LANG WOOTTON in Sydney; telephone: 61 2 93 23 58 88; fax: 61 92 32 81 20; Web site: www.jlw.com.au/; e-mail: jlw@com.au

• SOTHEBY'S INTERNATIONAL REALTY in Sydney; telephone: 61 2 93 62 10 00; fax: 61 2 93 62 11 00.

BRIEFCASE

Guide Offers Aid to Investors Looking at French Equities

Investors who have a special interest in French companies may want to investigate the Paris Stock Guide. Published in English by COFISEM, a French company based in Paris, the directory covers 726 companies listed on the Paris Bourse, from the members of the CAC 40, the blue-chip index, to smaller companies listed on the second board and the New Market, and the over-the-counter market.

An interesting feature is the in-depth listing of major shareholders for many of the companies, often indicating that the founding family or a single investor have control. The guide also lists stock and financial data for recent years.

Other useful information includes an explanation of stock indexes, such as the CAC 40 and SBF 120, and an index of companies by industry. It also indexes both companies that are newly listed and those that have been delisted since the previous edition of the handbook.

The latest edition of the Paris Stock Guide will be available this month, for $200, from COFISEM. Call 33 1 44 83 87 77, or fax 33 1 44 83 87 70, or call InfoCapital in New York at 1 212 661 7566.

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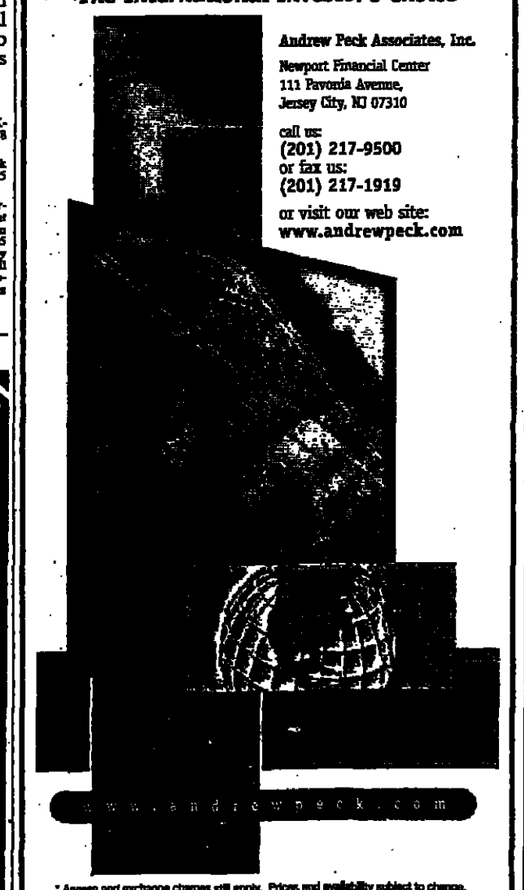

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WORLD ROUNDUP

Albert Avoids Jail

BASKETBALL Marv Albert, the former NBC sportscaster, was spared jail time Friday and told his conviction for biting a longtime lover will be dropped if he stays out of trouble for a year.

In the court, in Arlington, Virginia, Albert apologized to Vanessa Perhach, who accused him of sexual assault in a hotel room encounter in February.

"I've known Ms. Perhach for 10 years," Albert said. "We've had this relationship. I'm sorry if she felt she was harmed."

State Judge Benjamin N.A. Kendrick rejected prosecutors' request that Albert serve a short jail term. Albert, 56, faced up to one year in jail and a $2,500 fine. He pleaded guilty last month to assault and battery, abruptly ending two days of lurid and humiliating testimony about his sex life. Prosecutors dropped a felony sodomy charge in return.

"He said he's sorry she was hurt," Kendrick said. "What else can an individual say?" He said he was convinced Albert understood the gravity of what he did.

"This has been a most difficult time for myself, my fiancee, my family," Albert said.

Perhach's lawyer, Dan Morisette, said his client was satisfied with the sentence and with the apology. *(AP)*

Kirsten Bats Through

CRICKET Gary Kirsten, an opening batsman, bat through the whole of South Africa's first innings Friday on the first day of the third test against Pakistan in Faisalabad. Kirsten made 100 not out as South Africa battled to 239 after losing its first six wickets for 64 runs. Pakistan reached 41 for two wickets in its first innings. *(Reuters)*

Rodman Finally Signs

BASKETBALL Dennis Rodman, the NBA's rebounding leader the past six seasons, signed a one-year contract with the Chicago Bulls. His agent said Rodman had considered retiring from the two-time NBA champions.

Rodman reportedly agreed to a contract worth $4.5 million plus incentives two weeks ago but then said he was dissatisfied with it. Dwight Manley, Rodman's agent, said the 36-year-old forward simply was trying to decide if he wanted to return or retire. *(AP)*

Veterans Advance

TENNIS Veterans Petr Korda and Jonas Bjorkman slipped into the semifinals of the Stuttgart Open on Friday with victories over two of the sport's rising stars. Bjorkman, the 13th seed, crushed German hopes, breaking Nicolas Kiefer's opening serve in each set on the way to a 6-4, 6-2 victory.

The 15th seeded Korda, looking for his first title in almost two years, upset Marcelo Rios, seeded No. 9, 6-3, 6-4, to move into the semifinals for the third time in his last four tournaments. *(Reuters)*

Reuters

Jonas Bjorkman hitting a return Friday to Nikolas Kiefer.

Pascal Pavani/Agence France-Presse

Tom Stiansen of Norway, left, and Werner Franz of Austria racing in a heat of the parallel slalom Friday.

Strobl and Piccard Win Ski Opener

World Cup Starts With Parallel Races on French Glacier

The Associated Press

TIGNES, France — Josef Strobl and Leila Piccard picked up victories Friday as the World Cup skiing season opened its season in unfamiliar style.

Stobl and Piccard won the parallel races which counted for individual World Cup points for the first time in nearly 23 years.

The men's and women's parallel races, which feature slalom gates and giant slalom gates, alternately, were the first to count for World Cup points since 1975.

Skiers raced against in each other in pairs in a series of knockout rounds. Total time for the two runs counted with the winner advancing to the next round on a glacier more than 3,000 meters (10,000 feet) above sea level.

It was a short course which took barely 30 seconds to ski and was made up of a combination of slalom and giant slalom gates with a vertical drop of less than 100 meters.

WORLD CUP SKIING

"The races were only 30 seconds but you have to go through 10 races," Strobl said.

"It was hard for the heart and the head to be 100 percent motivated for the next round."

Strobl, an Austrian more noted as a downhiller, beat Kjetil-Andre Aamodt of Norway in the men's final by more than a second. He won on shorter women's skis. "We practiced it last week and I found the women's giant slalom skis are shorter than the regular slalom skis and they were much better," Strobl said.

The final was between the second and third of last year's overall standings. Luc Alphand, last year's champion has retired.

Piccard of France, the sister of 1988 Olympic super-G champion Franck Piccard, beat Ylva Nowen of Sweden in the women's final by .868 second.

It was the first World Cup victory for Piccard, who was the bronze medalist in the giant slalom at this year's world championships.

The Grass Is Greener Down at the Roots

By Peter Berlin
International Herald Tribune

EKEREN, Belgium — Like every team in the big European competitions these days, Germinal Ekeren has a band of foreign imports. In the case of Germinal, a team from the neat town of Ekeren just north of Antwerp, it's an oompah band called the Oxheads after their home village, Ossendrecht, 20 kilometers down the road and just across the Dutch border.

As Ekeren lost, 4-0, at home to VfB Stuttgart in the first leg of the second round of the Cup Winners' Cup on Thursday night before a packed stadium

VANTAGE POINT

of about 6,000, the brass band provided steady, jovial support.

The Veltwijckstadion is not one of the great superstadiums of European soccer, and the Oxheads know it. The high point of their repertoire was a languorous, full-length version of Queen's stadium rock favorite "We Are the Champions." Normally it is used as a vainglorious, overamplified slice of self-congratulation at sport's more grandiose homes. Here it became a gentle self-parody.

Ekeren provides a reminder of what soccer can be when it escapes the grasp of the big money.

European's soccer rulers should pay a visit and smell the game's grass roots growing. At Ekeren this is not difficult. The stands are so small and so close to the playing field that the cool, rich aroma of the soccer turf is hard to escape.

But then the club's very name, Germinal, suggests the seeds from which even soccer's tallest, proudest poppies spring.

At how many clubs will an official, asked to explain the origin of the name, refer to a novel by Emile Zola? Zola's "Germinal" is a tale of class struggle. Germinal Ekeren started as a workers' club. "But the name is not political," insists the official.

Nevertheless, the match Thursday was a confrontation between a relatively poor club, Germinal, and a relatively rich one, Stuttgart.

Germinal had one international player on the field: Tomasz Radzinski, a Pole who has played for Canada. Stuttgart fielded Fredi Bobic, a member of the German national team; Franz Wohlfahrt, Austria's national team goalkeeper; Krassamir Balako, a member of Bulgaria's successful team, and Swiss, Dutch and Nigerian stars.

Stuttgart approached Germinal like an adult placing an outstretched palm against an excited child's forehead. It waited for the Belgians to punch themselves out with enthusiastic attacking and then administered a sharp black eye seconds before half time when Bobic scored from close range.

Jonathan Akpoborie, a Nigerian with Stuttgart, scored a second goal from close range after 62 minutes. Then, as Germinal pressed desperately forward, first Bobic, then Akpoborie added goals on the breakaway.

Nevertheless, Germinal would not have been here at all if it had not been capable of giving bigger clubs a nasty kick in the shins. It beat Anderlecht, traditionally Belgium's biggest club, 4-2, in last season's national cup final — Ekeren's first national trophy.

Ekeren stands fourth in the Belgian league, and it knocked out Red Star Belgrade, the former European Champions Cup winner, in the first round of this competition.

Also on Thursday night, Tromsoe, a Norwegian team from inside the Arctic Circle, tripped up Chelsea's star-studded team, 3-2, in a first-leg match. No doubt its fans spent the evening pointing out Gianlucca Vialli, Chelsea's Italian star, to each other just as Ekeren's fans pointed out Balakov and Wohlfahrt.

More often than not, a big, rich, well-run club will beat a small, poor, well-run club. However, it is astonishing how many badly run rich clubs there are, incapable of both signing good players and balancing the books.

Clubs like Ekeren or, at a different level, Auxerre in France or Wimbledon in England deservedly thrive because they are better run than many clubs that look down their noses at them. With time, clubs like these can grow into relatively high-spending contenders.

As UEFA, the governing body of European soccer, places more and more emphasis on catering to the needs of the richest leagues and teams, clubs like Ekeren are being pushed to the side of the stage.

But Germinal provides a reminder of soccer's roots: a local team, anchored in its community where grown men can take their children or, to judge from the stands at Ekeren, their mothers for a good-humored evening's entertainment. These fans and their local teams are not just soccer's past but its future, too.

Where will the Oxheads go when Anderlecht has been elevated to a European Superleague and clubs like Ekeren have been left to wither? They'll probably take their trombones and their drums home to Ossendrecht and stow them in the attic along with their love of the game.

Where Kerrigan Fell, Kwan Seeks Skating Joy

By Jere Longman
New York Times Service

DETROIT — Michelle Kwan trailed a few steps behind as Nancy Kerrigan left a practice rink in Detroit on Jan. 6, 1994, disappeared through a curtain and was clubbed on the knee by an associate of Tonya Harding's. In that instant — with Kerrigan screaming, "Why?" — figure skating changed forever. While its ice queen image reached a tawdry low, its popularity soared to an unprecedented high.

Nearly four years later, figure skating draws better U.S. television ratings than any sport but the National Football League. Amateurism has gone the way of compulsory figures. No one has benefited from the exposure and financial opportunities more than the American teenagers, Kwan and Tara Lipinski. Both have risen to world titles and have annual incomes of hundreds of thousands of dollars.

Thursday, Lipinski let on that at 15 she has a credit card.

These days, Kerrigan is a mother and a professional skater, while Harding grants interviews only to those who pay, reports odd kidnap attempts and contemplates a comeback representing such skating powers as Austria and Bolivia. That leaves the next generation of U.S. skaters, Lipinski and Kwan, as front-runners for medals in February at the 1998 Winter Olympics in Nagano, Japan.

Their first meeting of the season began Friday and will continue Saturday at Skate America. Unlike the Olympic trials in 1994, this is not expected to be a full-contact event; the weapons of choice should be axels and lutzes, not a collapsible baton.

The men's competition began Thursday night with the short program, which finished with Todd Eldridge, the 1996 World Champion, in the lead. But it is women's skating that brings pennies from heaven.

Lipinski and Kwan, 17, are not close friends, but neither are they bellicose adversaries. They are bright, gregarious, respectful rivals chasing the same Olympic dream. In these days of megahype, the Skate America winner will earn $30,000 and become the early Olympic favorite.

"We're not enemies," Kwan, said of Lipinski. "It's a good rivalry. If I don't skate well, anybody can win."

"I want to be as famous as Michael Jordan," she said. Speaking of Lipinski, she added, "I want to kick everybody's butt, not just hers." But she added that "kicking butt" was too "brutal" a term and that she only wanted to win, not extract vengeance.

Skate America is probably more urgent for Kwan than Lipinski. Kwan is the more complete and sophisticated skater, but she has lost three times in succession to Lipinski, including the 1997 national and world championships. Is Kwan back to the form that won the 1996 world title? Or is she still thinking too much and suffering paralysis by analysis?

After playing such dramatic roles as Salome and Desdemona in her routines, Kwan has opted for a light, airy performance this season to stress the pleasure in her skating. By last year, she had begun to collect titles by rote and without joy. "I didn't stop and think about what I had won and enjoy everything," Kwan said. "It's like having a billion dollars and spending a dollar a day."

AP

Tara Lipinski practicing for Skate America at the Joe Louis Arena.

When she was the age that Lipinski is now, Kwan said, "I didn't think as much, I just skated." Last year, she began to contemplate defeat for the first time. "What if I trip on a spin?" she asked herself. "What if I miss a jump?" She skated defensively, and as she began to fall, so did her confidence.

"My main theme is the joy of skating," Kwan said. "If I'm not out there loving it and appreciating it and giving my whole heart, I'm doing something wrong. Why am I here if I don't love it? Why am I torturing myself?"

Can it already be four years ago that Kwan, then 13, saw Kerrigan step through a curtain into the Twilight Zone? "It seems like yesterday," she said.

Blues Batter Canucks To Go 6-1 on Home Ice

The Associated Press

The St. Louis Blues, who struggled at home the past two years, took their record at the Kiel Center to 6-1 at home this season with a 4-1 victory over the Vancouver Canucks.

The Blues' early-season surge had also included an eight-game unbeaten streak. But that ended when they played Wednesday against Carolina.

NHL ROUNDUP

"Everyone was so mad," said Steve Duchesne, a Blues defenseman. "We hate losing."

Duchesne had two assists Thursday that tied Philadelphia's Eric Lindros for the NHL lead with 12.

Duchesne had 28 assists all last season with Ottawa.

Pavol Demitra had a goal and an assist, and Brett Hull set up two goals for the Blues.

Flyers 4, Flames 3 In Philadelphia, John LeClair scored with 1:53 remaining to give the Flyers a victory over Calgary. LeClair scored his ninth goal of the season on a scramble in front of Calgary goaltender Dwayne Roloson, who had lost his stick.

Devils 2, Canadiens 1 Petr Sykora scored his second goal of the game on a disputed power play with 16.9 seconds left in overtime as New Jersey beat visiting Montreal. The goal came less than a minute after linesman Pat Dapuzzo gave the Devils their sixth power play of the game after finding six Canadiens skaters on the ice, a call vigorously disputed by Montreal.

Bruins 2, Lightning 2 In Boston, Corey Schwab stopped 24 shots and held off a Boston power play in overtime as Tampa Bay earned a tie. Bryon Dafoe stopped 25 shots for Boston as Tampa Bay outshot an opponent for the first time this season.

Senators 2, Panthers 2 In Ottawa, the Senators battled back to tie Florida and set a franchise record by going a fifth consecutive game without a loss.

Red Wings 4, Kings 1 Brendan Shanahan, Mathieu Dandenault and Martin Lapointe scored goals in the third period as Detroit won in Los Angeles. The Red Wings have won all five road games this season.

Capitals 3, Coyotes 3 In Phoenix, Calle Johansson scored a power-play goal with 16:53 to play to give Washington a tie with the Coyotes.

SCOREBOARD

BASKETBALL

NBA PRESEASON

THURSDAY'S RESULTS
Orlando 95, New Jersey 74
Houston 116, San Antonio 104

EUROLEAGUE

THURSDAY'S RESULTS
GROUP A
CSKA Moscow 77, Efes Pilsen 73
Limoges 71, Real Madrid 85
Maccabi Tel Aviv 73, Olympiakos 87
GROUP B
Porto 69, Estudiantes Madrid 92
Croatia Split 72, Benetton Treviso 77
GROUP C
Kinder Bologna 94, Ulkerspor 64
Partizan Belgrade 86, Peu 72
Hapoel Jerusalem 81, Barcelona 88
GROUP D
Olimp. Ljubljana 89, Team. Bologna 68
Cibona Zagreb 61, Paris St Germain 73

HOCKEY

NHL STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Washington	7	2	1	15	36	22
Philadelphia	7	3	1	15	36	26
New Jersey	5	3	0	10	22	17
N.Y. Islanders	3	3	2	8	23	20
N.Y. Rangers	2	4	4	8	22	25
Florida	2	5	2	6	16	27
Tampa Bay	2	6	2	6	17	31

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Boston	7	3	1	15	31	25
Ottawa	6	2	3	15	34	25
Pittsburgh	6	3	2	14	30	23
Montreal	4	3	2	10	23	16
Buffalo	3	5	2	8	25	31
Carolina	2	7	2	6	25	36

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Detroit	8	1	2	18	42	21
St. Louis	8	2	1	17	38	23
Dallas	5	4	1	11	31	25
Phoenix	4	3	2	10	28	27
Toronto	2	6	1	5	18	29
Chicago	2	7	0	4	12	28

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	6	1	3	15	37	25
Los Angeles	3	5	3	9	36	36
Anaheim	3	4	2	8	17	24
Vancouver	3	4	2	8	23	24
Edmonton	3	6	1	7	19	33
San Jose	2	7	0	4	22	31
Calgary	1	7	2	4	22	35

THURSDAY'S RESULTS

Tampa Bay	1	1	0 — 2
Boston	1	1	0 — 2

First Period: T-Vujtek 1 (Selivanov, Wiemer) 2, B-Taylor 5 (Bourque, DiMaio) Second Period: T-Zamuner 3 (Renberg) 4, B-Allison 4 (Carter, DiMaio) Third Period: None. Overtime: None. Shots on goal: T- 10-10-5-2—27. B- 6-6-12-2—26. Goalies: T-Schwab. B-Dafoe.

Florida	1	1	0 — 2
Ottawa	0	1	1 — 2

First Period: F-Murphy 2 (Svehla, Gagner) (pp). Second Period: F-Fitzgerald 1 (Gagner). 3, O-, Crowe 1 (Kravchuk) Third Period: O-Lambert 2 (Gardiner, Van Allen) Overtime: None. Shots on goal: F- 4-4-7-0—15. O- 7-10-11-4—32 Goalies: F-Weekes. O-Tugnutt.

Montreal	1	0	0 — 1
New Jersey	0	1	0 — 1

First Period: M-Corson 3 (Koivu, Malakhov) (pp). Second Period: N.J.-Sykora 2 (Gilmour, Rolston) Third Period: None. Overtime: 5, N.J.-Sykora 3 (Holik, Niedermayer) (pp). Shots on goal: M- 11-12-8-0—31. N.J.- 11-8-10-4—33. Goalies: M-Moog. N.J.-Brodeur.

Calgary	2	1	0 — 3
Philadelphia	2	1	1 — 4

First Period: P-Brind'Amour 3 (Gratton, Therien) 2, C-Fleury 3 (Morris, Stillman) 3, C-McInnis 3 (Hulse, Fleury) (pp). 4, P-Forbes 1 (Gratton, Brind'Amour) Second Period: P-Kidd 2 (Podein) 6, C-McInnis 4 (Stillman, Fleury) Third Period: P-LeClair 9 (Prospal, Lindros) Shots on goal: C- 10-5-8—23. P- 11-12-11—34. Goalies: C-Roloson, P-Snow.

Vancouver	1	0	0 — 1
St. Louis	0	2	2 — 4

First Period: V-Walker 2 (Sillinger, Hedican) (sh). Second Period: S.L.-Murphy 3 (Duchesne, Demitra) 4, S.L.-Demitra 3 (Hull, Duchesne) (pp). Third Period: S.L.-Courtnall 5 (Hull) 5, St. Louis, Pronger 1, (en). Shots on goal: V- 9-10-6—25. S.L.- 5-12-10—27. Goalies: V-McLean. S.L.-Fuhr.

Washington	0	2	1 — 3
Phoenix	1	0	2 — 3

First Period: P-More 1 (Drake, Tkachuk) (sh). Second Period: W-Bondra 5 (Plvenka, Simon) (pp). 3, W-Hunter 2, Third Period: P-Janney 3 (Drake). 5, P-Johnson 1 (Lemieux, Shannon) 6, W-Johansson 6 (Bondra, Simon) (pp). Overtime: None. Shots on goal: W- 7-11-6-2—26. P- 9-11-13-2—35. Goalies: W-Kolzig. P-Khabibulin.

Detroit	1	0	3 — 4
Los Angeles	1	0	0 — 1

First Period: D-Brown 4 (Dandenault, Ward) 2, L.A.-Blake 2 (Bykens, McKenna) Second Period: None. Third Period: D-Shanahan 4, 4, D-, Dandenault 3 (Brown, Knuble) 5, D-Lapointe 4 (Larionov, Shanahan) (en). Shots on goal: D- 9-7-16—32. L.A.- 8-7-9—24. Goalies: D-Hodson 2-0-0, L.A.-Fiset 2-5-2.

CRICKET

PAKISTAN VS. SOUTH AFRICA
3RD AND FINAL TEST, 1ST DAY
FRIDAY, IN FAISALABAD, PAKISTAN
South Africa innings: 239 all out
Pakistan innings: 41-2

SKIING

WORLD CUP

MEN'S PARALLEL RACES
FRIDAY, IN TIGNES, FRANCE
SEMIFINALS
Kjetil-Andre Aamodt, Norway, def. Siegried Voglreiter, Austria, disq; Josef Strobl, Austria, def. Hermann Maier, .482
THIRD PLACE
Maier def. Voglreiter, .762
FINAL
J. Strobl def. Aamodt, 1.149
OVERALL STANDINGS: 1, J. Strobl, 100 points; 2, Aamodt, 80; 3, Maier, 60; 4, Voglreiter, 50; 5, Alberto Tomba, Italy, 45; 6, Tim Stiansen, Norway, 40; 7, Paul Accola, Switzerland, 36; 8, Lasse Kjus, Norway, 32; 9, Van Gruenigen, 29; 10, Andreas Schifferer, Austria, 26.

WOMEN'S PARALLEL RACES
SEMIFINALS
Ylva Nowen, Sweden, def. Martina Ertl, Germany, disq; Leila Piccard, France, def. Alexandra Meissnitzer, Austria, .145
THIRD PLACE
Meissnitzer def. Ertl, .016
FINAL
Piccard def. Nowen, .868
OVERALL STANDINGS: 1, Piccard, 100 points; 2, Nowen, 80; 3, Meissnitzer, 60; 4, Ertl, 50; 5, Ingrid Salvenmoser, Austria, 45; 6, Sabine Effer, Austria, 40; 7, Ingeborg Marken, Norway, 36; 8, Isolde Kostner, Italy, 32; 9, Florence Masnada, France, 29; 10, Covognoud, 26.

SOCCER

CUP WINNERS CUP

SECOND ROUND, FIRST LEG
Tromso 3, Chelsea 2
Germinal Ekeren 0, VfB Stuttgart 4
Shakhtyor Donetsk 1, Vicenza 2
Real Betis 2, Copenhagen 0
Nice 2, Slavia Prague 2
NK Primorje 0, Roda JC 2

WORLD CUP QUALIFYING
Qatar 1, Kuwait 0

TENNIS

EUROCARD OPEN
QUARTERFINALS
Petr Korda (15), Czech Republic, def. Marcelo Rios (9), Chile, 6-3, 6-4; Jonas Bjorkman (13), Sweden, def. Nicolas Kiefer, Germany, 6-4, 6-2.

LUXEMBOURG OPEN
QUARTERFINALS
Katarina Studenikova, Slovakia, def. Jeanette Kruger, Russia, 6-3, 6-4; Anne-Gaelle Sidot, France def. Henrieta Nagyova, Slovakia, 6-4, 7-6.
Barbara Paulus, Austria (5), def. Sabine Appelmans, Belgium (4), 3-6, 6-3, 6-2.

TRANSITIONS

BASEBALL
NATIONAL LEAGUE
ATLANTA—Announced 1B Greg Colbrunn has become free agent after refusing assignment to Richmond, IL.
SAN DIEGO—Named Dave Smith pitching coach for Las Vegas, PCL.
BASKETBALL
NATIONAL BASKETBALL ASSOCIATION
CHICAGO—Re-signed F Dennis Rodman to 1-year contract.
DALLAS—Signed G Reggie Freeman and G Jerome Allen. Waived F Malcolm Mackey.
NEW YORK—Signed F Ronnie Grandison and G Rick Brunson.

THE WEEK AHEAD

SATURDAY, OCT. 25

CRICKET, Faisalabad, Pakistan — Pakistan vs. South Africa, third test, through Oct. 28.
GOLF, Las Vegas — U.S. PGA Tour, Las Vegas Invitational, through Oct. 26; Madrid, Spain — European PGA Tour, Oki-Pro-Am, through Oct. 26.
TENNIS, Luxembourg — WTA Tour, Sea Open, through Oct. 26; Stuttgart, Germany — ATP Eurocard Open, through Oct. 26; Mexico City, Mexico — ATP Mexican Open, through Oct. 26; Quebec City, Canada — WTA Bell Challenge, through Oct. 26.
SKIING, Tigne, France — Alpine World Cup, giant slalom, parallel slalom, through Oct. 26.
SOCCER, Tashkent, Uzbekistan — World Cup qualifying, Asia, second round, Group B, Uzbekistan vs. Kazakstan.

SUNDAY, OCT. 26

AUTO RACING, Jerez de la Frontera, Spain — Formula One, European Grand Prix.
RUGBY UNION, Tarbes, France — Latin Cup, France vs. Argentina, Italy vs. Romania.
SOCCER, Tokyo — World Cup qualifying, Asia, second round, Group B, Japan vs. United Arab Emirates; Washington — MLS Cup '97, Washington DC United vs. Colorado Rapids.

MONDAY, OCT. 27

TENNIS, Moscow — WTA Tour, Kremlin Cup, through Nov. 2; Paris — ATP Tour, Paris Open, through Nov. 2; Bogota, Colombia — ATP Tour, Heilman's Cup, through Nov. 2.

TUESDAY, OCT. 28

SOCCER, Various sites — South American Super Cup, First Round, Velez Sarsfield vs. Flamengo, Santos vs. Racing Club.

WEDNESDAY, OCT. 29

SOCCER, Various sites — World Cup playoffs, Europe, first leg, Croatia vs. Ukraine, Russia vs. Italy, Ireland vs. Belgium, Hungary vs. Yugoslavia; Various sites — South American Super Cup, First Round, Boca Juniors vs. Cale Cale, Sao Paulo vs. Olimpia; Various sites — CONMEBOL Cup, Semifinals, second leg, Atletico Mineiro vs. Universitario, Lanus vs. Colon de Santa Fe.

THURSDAY, OCT. 30

GOLF, Montecastillo, Spain — European PGA Tour, Volvo Masters, through Nov. 2; Houston — U.S. PGA Tour, THE TOUR Championship, through Nov. 2; Kato, Japan — Japan PGA, Philip Morris Championship, through Nov. 2.
SOCCER, Various sites — South American Super Cup, First Round, Independiente vs. Cruzeiro, Vasco da Gama vs. River Plate, Atletico Nacional vs. Gremio, Estudiantes vs. Penarol.

FRIDAY, OCT. 31

SOCCER, Various sites — World Cup qualifying, Asia, second round, Group A, China vs. Qatar, Iran vs. Kuwait.

SATURDAY, NOV. 1

CRICKET, Lahore, Pakistan — Jinnah Cup, Sri Lanka vs. West Indies.
RUGBY LEAGUE, Wembley, England — Super League, Britain vs Australia, first test.
RUGBY UNION, Buenos Aires — Argentina vs. Australia, first test.
SOCCER, Seoul — World Cup qualifying, Asia, Group B, South Korea vs. Japan; Various sites — European Cup, quarter-final playoffs, Brive vs. Pontypridd, Leicester vs. Glasgow, Cardiff vs. Llanelli.

SUNDAY, NOV. 2

ATHLETICS, New York — New York marathon.
CRICKET, Lahore, Pakistan — Jinnah Cup, Pakistan vs. South Africa.
SOCCER, Mexico City — World Cup, CONCACAF, first round, Mexico vs. United States; Abu Dhabi — World Cup, Asia, second round, Group B, United Arab Emirates vs. Uzbekistan.

هكذا من الأصل

ممكنا من الاصل

SPORTS

Matt Williams of the Indians sliding hard into Craig Counsell at second base to break up a double play.

Mike Blake/Reuters

Marlins a Game Away From Title

They Hold Off Indians, 8-7, as Rookie, 22, Outlasts Hershiser

By Murray Chass
New York Times Service

CLEVELAND — In a game that was emblematic of the changing of the postseason guard, Livan Hernandez overcame his early pitching problems, and Orel Hershiser self-destructed for the second time in this World Series.

The combination catapulted the wild-card Florida Marlins to within one victory of the World Series championship.

WORLD SERIES

The Marlins cut off a ninth-inning Cleveland rally just in time, won the game 8-7 on Thursday night and took a three-games-to-two lead.

The Marlins, having won two of the three games at Jacobs Field in Cleveland, will try to win the Series in their own park Saturday night when they send Kevin Brown, the losing pitcher in Game 2, against Chad Ogea, the Game 2 winner.

The teams will play in warmer weather in Miami than they had in Cleveland. The game-time temperature Thursday night was 46 degrees Fahrenheit (8 degrees Celsius), up from 38 the night before, when snow also fell. That prompted Jim Leyland, the Marlins' manager, to say, "I have to believe when you're taking batting practice and you feel like you ought to be downtown Christmas shopping, it's not exactly good."

But his team delivered Leyland an early Christmas present after struggling.

Hernandez, the impressive 22-year-old Cuban rookie, walked six batters in the first three innings, and in the second and third he threw two pitches to Sandy Alomar Jr. that produced four runs. Yet he held on and became the first rookie and only the sixth pitcher overall to gain four victories in a single postseason.

Hershiser, 39, whose once-fabled postseason prowess has become just a memory, gave up a critical three-run home run to Moises Alou for the second time in the Series. Alou's three-run homer in the fourth inning of Game 1 sent the Marlins ahead to stay, and his three-run home run in the sixth inning Thursday night did the same.

But the Marlins did not have their victory until Alomar's long fly ball to right field was caught with Jim Thome at first base and two out in the ninth inning. The Indians had rallied for three runs in the final inning, finally knocking Hernandez out of the game after 142 pitches.

"With the groove he was in, I thought he had the best chance of throwing strikes to those two guys at the top of the lineup," Leyland said, explaining his reason for letting Hernandez start the ninth. The manager easily could have removed Hernandez in the third after Alomar whacked a three-run home run and the next two batters reached base.

"I really didn't want to go to my bullpen that early," Leyland said. "The only thing I was worried about was, he usually stays on an even keel, but one time this year he got frustrated and he didn't throw the ball well. So I had Larry Rothschild, our pitching coach, and every Spanish-speaking guy on the team talk to him when he came into the dugout and tell him not to lose his cool. I don't know which one it was, but one of them hit the mark."

Alex Fernandez, the Marlins' injured Cuban-American pitcher, was one who spoke with the right-hander. "He said to take it easy, to take it slow, calm down," Hernandez said through an interpreter.

"He said there was still a lot of baseball to be played and we were going to win the game." It took another inning for the advice to sink in. Alomar hit his home run in the next inning, but from the fourth through the eighth, Hernandez gave up just two singles and two walks.

Hershiser held the lead Alomar gave him until the sixth. In that inning, Gary Sheffield singled with one out and Hershiser walked Bobby Bonilla. One out later, Alou crushed a slider over the center field wall more than 400 feet away.

As the game turned out, it was Alou who drove in the deciding run, but not until the ninth inning.

Bonilla rapped a double into the right-field corner, Darren Daulton singled the pinch-runner Alex Arias to third and Alou sent him home with a single to center, increasing the Marlins' lead to 8-4. But then the Indians struggled back in the bottom of the ninth.

MARLINS 8, INDIANS 7

Florida	AB	R	H	BI	BB	SO	Avg.
DWhite cf	4	0	2	2	1	0	.227
Renteria ss	5	0	1	0	0	2	.286
Sheffield rf	5	1	2	0	0	0	.353
Bonilla 3b	4	1	1	0	1	0	.200
1-AArias pr-3b	0	1	0	0	0	0	.000
Daulton dh	5	1	2	0	0	0	.467
Alou lf	5	2	3	4	0	1	.250
Conine 1b	5	1	1	0	0	0	.300
CJohnson c	5	1	3	2	0	2	.250
Counsell 2b	2	0	0	0	2	1	.200
Totals	49	8	15	8	4	6	

Cleveland	AB	R	H	BI	BB	SO	Avg.
Roberts 2b	3	1	0	0	2	0	.263
Vizquel ss	4	1	1	0	0	0	.238
Ramirez rf	5	0	1	0	0	1	.182
Justice dh	5	0	1	2	0	1	.278
McWilliams 3b	3	2	1	0	2	0	.400
Thome 1b	4	2	2	1	1	0	.333
SAlomar c	5	1	2	4	0	0	.455
Giles lf	1	0	0	0	3	1	.667
Grissom cf	4	0	1	0	0	0	.444
Totals	34	7	9	7	8	3	

Florida	020	004	011—8	15	2
Cleveland	013	000	003—7	9	0

1-ran for Bonilla in the 9th.
E—Counsell (1), LHernandez (1). LOB—Florida 9, Cleveland 9.
2B—DWhite 2 (3), Bonilla (1), Daulton (2). 3B—Thome (1). HR—Alou (3) off Hershiser; SAlomar (2) off LHernandez. RBIs—DWhite 2 (2), Alou 4 (9), CJohnson 2 (2), Justice 2 (4), Thome (4), SAlomar 4 (10). SB—Daulton (1), Alou (1). S—Vizquel. GIDP—Bonilla, Justice, SAlomar.
Runners left in scoring position—Florida 5 (Renteria 4, CJohnson); Cleveland 5 (Roberts, Vizquel 2, Justice, Grissom).
Runners moved up—Conine 2, Grissom.
DP—Florida 2 (Renteria, Counsell and Conine), (LHernandez, Renteria and Conine); Cleveland 1 (Roberts, Vizquel and Thome).

Florida	IP	H	R	ER	BB	SO	NP	ERA
LHernand.W, 2-0	8	7	6	5	5	2	142	5.27
Nen S, 2	1	2	1	0	0	1	18	12.00

Cleveland	IP	H	R	ER	BB	SO	NP	ERA
Hershiser L, 0-2	5 2/3	9	6	6	2	3	96	11.70
Mormon	0	0	0	0	1	0	5	0.00
Plunk	1/3	0	0	0	1	1	10	9.00
Jarvis	1 1/3	2	1	1	0	0	17	4.50
Assenmacher	2/3	1	0	0	0	1	21	0.00
Mesa	1	3	1	1	0	1	16	7.71

LHernandez pitched to 2 batters in the 9th, Mormon pitched to 1 batter in the 6th.
Inherited runners-scored—Nen 2-2, Mormon 2-0, Plunk 3-1, Assenmacher 1-0.
WP—LHernandez.
Umpires—Home, Marsh; First, Kaiser; Second, Montague; Third, Fors; Left, West; Right, Kosc.
T—3:39. A—44,888 (43,863).

A Minnesota-Tampa Bay Barbecue

Vikings Are Hot, but Bucs Hold Edge in Battle for Divisional Lead

By Mike Freeman
New York Times Service

Minnesota (5-2) at Tampa Bay (5-2) This is one of two key games in which the winner takes over the division lead. Pittsburgh-Jacksonville is the other.

The Vikings' quarterback, Brad Johnson, is hot — second in the conference with 1,770 yards passing. But the edge belongs to Tampa Bay, which is playing at home and whose head coach, Tony Dungy, a former assistant at Minnesota, will be able to exploit his knowledge of his old team. *Prediction: Buccaneers, 24-20.*

Jacksonville (5-2) at Pittsburgh (5-2) The Steelers' defense rolls on. They have held teams to 90 rushing yards or less in 10 consecutive games. The team has regrouped well after Dallas plastered them in the opener. The Jaguars are an excellent team, but the difference here will be the raucous Three Rivers Stadium crowd. *Steelers, 28-27.*

Denver (6-1) at Buffalo (4-3) Replacing Jim Kelly is tough, but the Bills have found a gem in their quarterback, Todd Collins. Collins is raw, but he is tough and has one of the strongest arms in the league. The Bills also have an edge with the running back Antowain Smith, who leads AFC rookies. That's where the Bills will try to exploit a Denver defense that is soft in the middle. This has upset written all over it. *Bills, 17-12.*

Dallas (4-3) at Philadelphia (3-4) Emmitt Smith finally got his first rushing touchdown of the year, but the Dallas offense still has serious problems. However, Herschel Walker has emerged as a gamebreaking receiver and that could be crucial. Three of the last four games between these two teams have been decided by four points or less. *Cowboys, 14-10.*

Baltimore (3-4) at Washington (4-3) The Ravens average 357 yards a game on offense, but will be playing into the strength of Washington: its top-ranked pass defense. The Redskins will win because they can keep the Baltimore quarterback Vinny Testaverde under wraps. *Redskins, 22-21.*

Kansas City (5-2) at St. Louis (2-5) His nickname used to be "Bad Moon" Rison but now he's more commonly called "Spiderman." Andre Rison is catching everything that comes near his sticky fingers. No one on the Rams probably scares Rison, so look for the Kansas City quarterback, Elvis Grbac, to keep going to his new favorite target. *Chiefs, 20-10.*

Cincinnati (1-6) at Giants (5-3) The Giants have finally begun to use all their weapons properly. One of those is the fullback Charles Way, one of the best in the league. He has rushed for more yards in his last two games (181) than in his first 38 (160). The coaches are finding creative ways to get him the ball and get him open. The Bengals are the best 1-6 team in the league, but it is tough to beat the Giants at home. *Giants, 17-3.*

NFL MATCHUPS

San Francisco (6-1) at New Orleans (2-6) The 49ers have scored at least 30 points in five straight games. One of the reasons is that their two wide receivers, Terrell Owens and J.J. Stokes, have stepped up since Jerry Rice went down with a knee injury. They won't be tested against the Saints. *49ers, 35-10.*

Oakland (3-4) at Seattle (4-3) One week the Raiders are the bumbling team that racks up dumb penalties. The next they put together an amazing display of run blocking. The good team better show up this week against the surging Seahawks, who have rallied around the veteran quarterback Warren Moon. This game is hard to predict because the Raiders are impossible to predict. *Raiders, 35-19.*

Chicago (0-7) at Miami (5-2) Jimmy Johnson should consider benching Dan Marino more often. Ever since the questions began about whether or not Dan was still The Man, Marino and the Dolphins have been hot. He has thrown a club-record 153 straight passes without an interception. This is a dangerous game for Miami: no one wants to be the first team to lose to the Bears, and Chicago has won seven of its last eight games against Florida teams. In this case, those are meaningless numbers. *Dolphins, 28-0.*

Tennessee (3-4) at Arizona (1-6) In Arizona this week, there is full fledged "Jake mania." Jake Plummer, the rookie quarterback from Arizona State, is making his first NFL start. But the mania cannot hide some fundamental problems within the Cardinals. There is a lack of communication between offensive coaches and players, the team has no running game and the Oilers have won two straight. *Oilers, 21-14.*

Indianapolis (0-7) at San Diego (3-4) The Colts are a battered and bruised team. They will be without Jim Harbaugh, their starting quarterback, but will still get their first victory of the year. One player to watch is the Chargers' quarterback, Stan Humphries, whose number of concussions is increasing. *Colts, 14-7.*

Atlanta (1-6) at Carolina (3-4) The Falcons have shown a surprising ability to score points, but the Panthers should get their second straight victory. Their quarterback, Kerry Collins, has settled down. But the main reason Carolina is scoring again is because it is finally finding ways to get the ball to the tight end Wesley Wall. *Panthers, 10-6.*

Green Bay (5-2) at New England (5-2) Monday night's Super Bowl rematch is a test for New England, which was called "gutless" by local journalists after losing to the Jets last week. Also, New England has won three straight at home. *Patriots, 35-28.*

A Coach Makes a Pitch for the Series

New York Times Service

CLEVELAND — Here's what's really wrong with baseball: No game in this World Series has been as compelling as the taint and pungent rage expressed by Jim Leyland before the latest marathon Thursday, an 8-7 victory by his Florida team over Cleveland.

Leyland was the late Peter Finch in the movie "Network." He was bellowing into microphones all over America. He was mad as hell and he wasn't going to take it anymore.

The manager said he was stunned in the ninth when Ken Kaiser called a Cleveland batter safe at first after the right foot of Livan Hernandez apparently touched the side of the base. But a good bit of America had long been asleep at midnight Eastern time, which was when Kaiser flirted with notoriety.

Leyland had heard grumbling about the low caliber of play in the first four tedious games. He had heard whining from television officials about the low-scale identities of the two Series teams.

"Basically I'm sick and tired of hearing about New York and Atlanta and Baltimore," Leyland said.

According to common wisdom, people around the United States are interested in the World Series only if it involves glamour teams such as the Yankees, the Braves, the Orioles — because of the iconic Cal Ripken Jr. — and maybe the Dodgers, for old time's sake.

The first two games in Cleveland were so cold, so flawed, that you could hear sets clicking off all over the world. Leyland said in his rumbling bass: "Mike Hargrove said it best. They had the same chance that we did. We won it. We are the teams that are supposed to be here, and it makes me puke when I continue to hear people talking about the Marlins and the Indians."

Unfortunately, when there are great series — the Yanks and Mariners in 1995, the Indians and Orioles this year, the Pirates, and the Braves in 1992 — the Series can be anticlimactic.

There should be national enthusiasm, but baseball makes it difficult by starting every Series game in prime time.

"We contradict ourselves a lot in baseball," Leyland said. "We're trying to get the youth back involved. For God's sakes, most youth are sleeping by 9 o'clock, and more importantly, so is the guy that works from 7 o'clock to 4 or 5 in the afternoon. The blue-collar guy is tired. By the sixth inning, I think he's in la-la land somewhere."

Bud Selig, the acting commissioner, has blamed the players for dawdling and the umpires for not moving the games along. But Selig has not criticized the networks for their 150-second commercials shown every half-inning.

Vantage Point / **GEORGE VECSEY**

DENNIS THE MENACE

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JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

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BUAQS
TOCIPE
TENNIT

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

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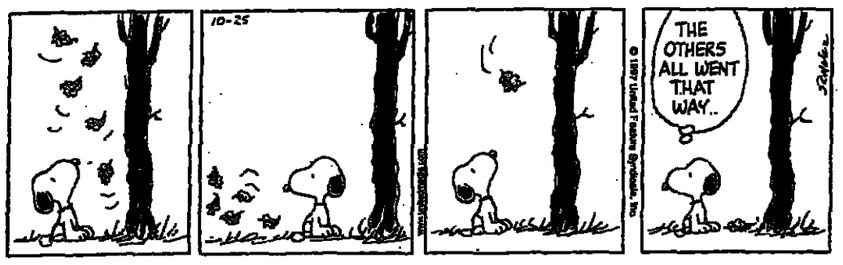
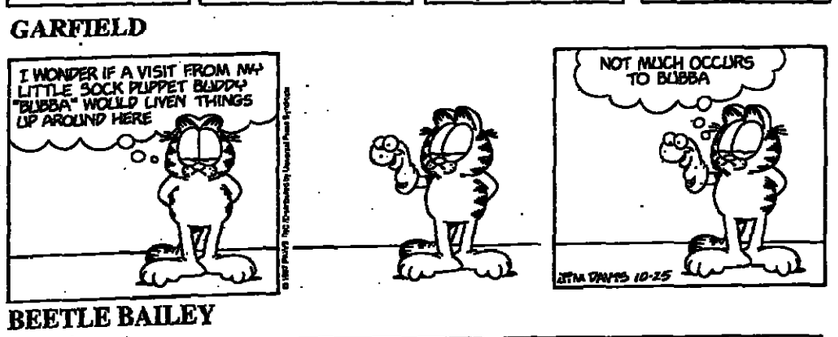


CALVIN AND HOBBES

GARFIELD



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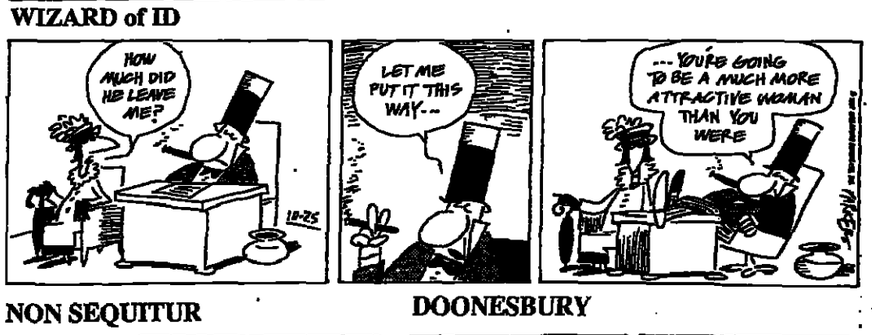

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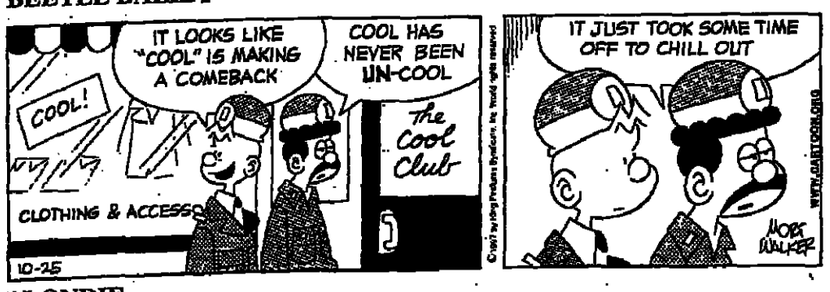

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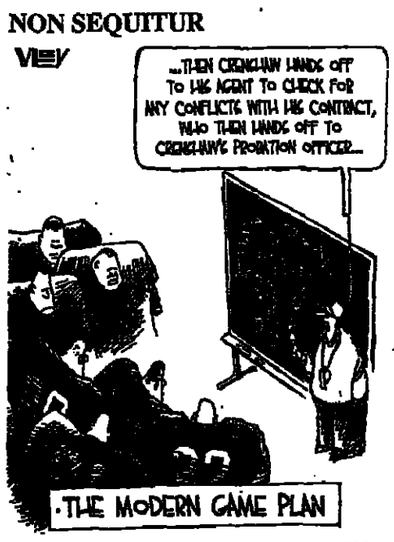
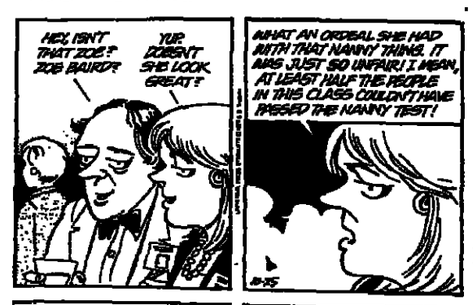


DOONESBURY



BLONDIE

DAVE BARRY

The B-2: Singing in the Rain

MIAMI — I have some news that is going to cause you taxpayers to want to throw down this newspaper and dance the Funky Chicken of Joy.

Here it is: The B-2 Stealth Bomber can get wet! Hurrah!

In case you're wondering why this is so exciting, let me give you some background. The B-2 is . . . SECURITY ALERT: THE FOLLOWING IS TOP SECRET INFORMATION THAT MUST NOT FALL INTO THE HANDS OF FOREIGN AGENTS UNLESS THEY HAVE MADE LARGE ILLEGAL CASH CONTRIBUTIONS TO A LEADING POLITICAL PARTY. THANK YOU . . . a bomber that is invisible to enemy radar because it is made of high-tech "stealthy" materials such as (to judge from the price) caviar. The original mission of the B-2 was to fly from overseas bases deep into the Soviet Union and drop nuclear bombs. Of course there IS no Soviet Union anymore, which means that now the mission of the B-2 Bomber is . . . The mission is . . . Hang on, it'll come to me . . .

O.K., never mind the pesky detail of what the military mission is. The important thing is, the B-2 has demonstrated a breathtaking capability, unmatched in aviation history, to deliver, with pinpoint accuracy, extremely large payloads of taxpayer dollars into the districts of strategic members of Congress. So far the B-2 project has cost taxpayers $45 billion, which has purchased us 21 bombers, which works out to around $2 billion per bomber (bear in mind, however, that it comes with floor mats).

Now here's the problem: The General Accounting Office did a big study of the B-2 bomber, concluding that — I will try to put this in layperson's terms — flying is bad for it. Yes. It turns out that the secret stealthy materials are sensitive to moisture, which as luck would have it (who could have predicted this?) is plentiful in the atmosphere, so according to the GAO, after the B-2 flies, it tends to need lots of costly repairs.

I can relate to this. I used to own a boat, and whenever I made the stupid mistake of putting it in the water, expensive pieces of it would immediately fall off. I wound up deploying my boat permanently on a trailer. Using similar reasoning, the air force has decided that, instead of putting the B-2s at bases around the world, it will deploy ALL of them in — get ready for a strategic location — Missouri. Really. That's where the air force has special climate-controlled maintenance facilities. So let's just recap the B-2 history:

ORIGINAL IDEA: Station overseas; fly deep into Soviet Union; drop nuclear bombs.

CURRENT ACTUAL USE: Station in Missouri; fly deep into Kansas; get repaired.

So, O.K., things have not worked out exactly as planned. When the GAO report came out, there were a lot of snide remarks from the media about the B-2 Bomber not being able to fly in the rain. So in September, the air force struck back with a bold strategic move: It flew several dozen reporters and photographers from Washington to Missouri, where they witnessed as a team of airmen — I swear I am not making this bold strategic move up — WASHED A B-2 BOMBER.

"This airplane does not melt in water," stated an air force official in a quote that I am also not making up. "We do this all the time. We just get out here with the brushes and scrub away."

'This airplane does not melt in water,' stated an Air Force official.

Despite the fact that the B-2 has been shown to be capable, with proper maintenance, of withstanding moisture, the Pentagon has decided that it does not want to buy any more of these planes. In other words, even our top military experts believe that 21 is a sufficient number of extremely expensive bombers with no apparent function. So guess what a bunch of congresspersons recently tried to do? Right! They tried to have the taxpayers buy nine more! For another $27 billion! Guess why they did this? Right! To enhance the National Security! By which I mean, get themselves re-elected! It doesn't even matter if the B-2 can fly! We could make it entirely out of a fragile type of cheese that spoils on contact with air and has to be completely replaced every 45 minutes! As long as the money gets spent in these congresspersons' districts!

Unfortunately for our National Security, Congress decided to cancel the new B-2s and spend the money on other things. (What, you thought they'd give the money back to YOU?) Nevertheless we can all take comfort in the fact that for many years, we will be paying millions and millions of dollars to maintain the original fleet of Stealth bombers stationed strategically in Missouri, scrubbed and ready to fly out and bomb enemy targets. Or maybe it will turn out to be more cost-effective to fly the enemy targets to Missouri, so our B-2s can bomb them without getting too far from the climate-controlled maintenance facilities. So as a taxpayer, I applaud all the congresspersons who helped make this amazing weapon possible. I hope they get rewarded for their efforts by being taken for lengthy VIP flights on the B-2. In the rain. Strapped to a wing.

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Ronald Searle

The Friends of Mona Lisa — and Marzipan

"La Gioconda is, in the truest sense, Leonardo's masterpiece, the revealing instance of his mode of thought and work. . . . Certainly Lady Lisa might stand as the embodiment of the old fancy, the symbol of the modern idea." Walter Pater, 1869

MARY BLUME
International Herald Tribune

PARIS — In fact, the Mona Lisa, or La Joconde as the French call her, might stand for anything, and does. She can be found advertising everything from grapes to condoms, parodying politicians from Mao to John Major, decorating beaded curtains found in Vietnam and a cookie jar made in USA.

She is the most famous art work in the world. The space surrounding her bullet-proof frame is the noisiest in the Louvre, with people jostling as they might to see a celebrity, which she is. "She has an enormous recognition factor, she is like a top model. A top model that costs nothing and thus expresses nothing, or anything," said Jean Margat, a retired geologist and probably the world's leading Jocondophile.

Margat is the president of Les Amis de Mona Lisa, a group of about 40 fans and collectors that held its annual meeting last Saturday with members seated around a U-shaped table and clutching wrapped items that they had found during the year for the show-and-tell that would follow the president's and treasurer's reports. It was the group's 10th anniversary, feted by a Mona Lisa champagne and a reproduction in nougatine and marzipan that proved very tricky to cut.

Mona Lisa collectors aren't daft and dull like people who collect Camembert labels or key rings; they cannot be greedy because so many new items constantly appear that all notions of value and investment opportunities vanish. Unlike most collectors, they are having fun: one might — one must — say they are jocund.

Among active members (Pierre Rosenberg, the Louvre's director, is an honorary member) are a couple of engineers, painters, a bookbinder, a Dutch librarian, a postal employee also interested in collecting anything concerning Chaplin, Coca-Cola or aubergines, and Bruno Figueroa, the press attaché of the Mexican Embassy who presented the prize exhibit, a huge collage representing the theft of the Mona Lisa in 1911 and its recovery two years later, after Picasso and Apollinaire had been falsely implicated in the foul deed.

The unveiling of the collage was greeted by oohs and bravos while Figueroa, in his Mexican-made black Mona Lisa T-shirt, blushed. The work had its origins in his wife's complaints about the clutter caused by his collection, solved by its being composed into the collage that he will hang in his embassy office.

Other applauded offerings were coffee mugs decorated with a mustached Mona Lisa in imitation of Marcel Duchamp's 1919 spoof (the mustache disappears when hot liquid is poured into the mug) and Russian matriochka dolls in which the outer one represents La Joconde while those nested inside are various representation of the Virgin Mary. "A good example of the frequent confusion of the Mona Lisa and the Madonna," Margat observed.

The painting has been analyzed by everyone from Freud to Camille Paglia ("I think that what Mona Lisa is ultimately saying is that males are unnecessary"). Her expression has been ascribed to pregnancy, syphilis and jaundice. Her popularity, Margat says, comes from the worldwide publicity surrounding the 1911 theft, was even covered in comic strips, followed by Duchamp's celebrated outrage which opened the way to further transgressions, acceptable because there has always been something a bit transgressive about the lady herself (is she, for example, Leonardo in drag as has been suggested?).

Margat became interested in the 1950s when such friends as the writer-musician Boris Vian stuck pins in a Mona Lisa reproduction. As a variation on Raymond Queneau's "Exercises de Style," he began collecting and in 1959 produced a famous issue of the magazine Bizarre, devoted to the Mona Lisa. Since then, her image has grown exponentially. (The meetings of Les Amis de Mona Lisa must be the only ones in the world in which the word exponentially is on everyone's lips.)

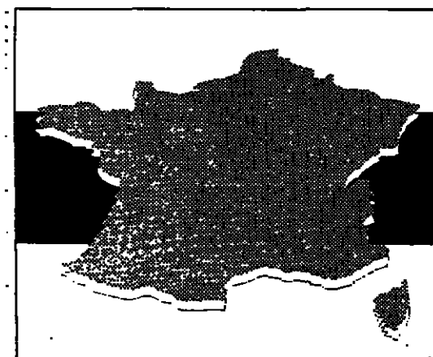
There have been two Margat-inspired Mona Lisa shows recently: one last summer in Geneva and one in Brittany in 1996 where the local prefect banned the show's poster on moral grounds because it showed Mona Lisa smoking a joint.

Some members found themselves involved almost by accident. Rene Royer, the retired bookbinder, became intrigued when he saw pictures of Mona Lisa in profile; Sophie Bouvard, who is unemployed, saw an ad for chocolate bars imagining Mona Lisa with torso and legs. Then she started seeing her everywhere — on shoe boxes, tulip bulbs, chocolate in Greece, pantyhose in Brazil.

There is a Paris bookstore whose business has soared since it called itself Mona Lisait. A favorite Jocondophile anagram is *On m'a sali (I've been defiled)*. At Saturday's meeting, from 9:30 in the morning to 5 P.M. the club's members traded, admired and were unusually uncompetitive. A couple of heavy leather scrapbooks circulated showing references to the Mona Lisa, including: An article on dental implants, news from an agriculture show in central France that a heifer named Joconde had won a prize, and a 1993 dispatch from Le Progres de Lyon concerning a New Jersey family that owns a Mona Lisa given to one of their ancestors by Marie-Antoinette. The New Jersey version is 10 years younger and more elegant than the one in the Louvre, the correspondent said.

The actual history of the painting — "the mortal whose divine gaze triumphs over sightless gods," as Andre Malraux typically put it — is of less interest to Jocondophiles than what has been done with it. "The history of the woman is not nearly as fascinating," says Rene Royer. And the painting itself?

"I've seen it only once. It was a big disappointment," Figueroa said.



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PEOPLE

THE Eagles are going to make it. The band, along with **Fleetwood Mac, The Mamas and the Papas, Lloyd Price, Santana** and **Gene Vincent** will be inducted into the Rock and Roll Hall of Fame, the hall's foundation has announced. **Jelly Roll Morton** will be inducted as an early influence and Allen Toussaint will be inducted in the nonperformer category at ceremonies Jan. 12 at the Waldorf-Astoria Hotel in New York.

□

What do an American civil rights leader, a Salvadoran priest and a German anti-Nazi pastor have in common? **Martin Luther King, Oscar Romero**, and **Dietrich Bonhoeffer**, all 20th-century martyrs for the Christian faith, will be commemorated, along with modern martyrs from seven other countries, by new statues above the main west door of Westminster Abbey. The 10 statues will join kings, saints, angels, poets and politicians whose images help to make the church one of London's main tourist attractions, drawing 3 million visitors a year.

□

The film director **Carlos Saura** said he wanted to make a major film about the Spanish Civil War in order to free himself of images that haunt him from his childhood in Madrid. Saura, who was four years old when the war broke out in 1936, admitted that the film, provisionally entitled "Light!" would not be "neutral." The title echoes the shouts of night watchmen who patrolled the streets of the capital to enforce the blackout as a precaution against air raids.

□

Rosemary Clooney will return to her Maysville, Kentucky, hometown to wed her longtime companion **Dante Di Paolo** next month. **Bob Hope, Tony Bennett, Linda Ronstadt** and **Debbie Boone** are expected, although the singer's nephew, **George Clooney**, will not attend, her publicist said. Clooney, 69, and Di Paolo, 72, have lived together since 1973. It will be the second marriage for each.

□

The shower curtain parts. The knife descends. The blood swirls down the drain. That scary scene in the **Alfred Hitchcock** film "Psycho" left its leading lady, **Janet Leigh**, a bath enthusiast for life. "I suddenly said to myself, 'My God, we're so vulnerable and defenseless in the shower,'" the 70-year-old actress said in Philadelphia at a screening of "Psycho." "You can't hear because the water's running. You can't see. You're there and you're easy picking." Leigh's oldest daughter, **Kelly Curtis**, refuses to watch the scene. Her youngest daughter, **Jamie Lee Curtis**, apparently got over it; she starred in "Halloween" and other horror movies.

□

How did **John Kennedy Jr.** hurt his hand? *Not* fighting with his wife, **Carolyn Bessette Kennedy**, a friend of his told the New York Post. Contrary to tabloid reports, the friend said Kennedy cut his right hand while doing the dishes. After the incident, Kennedy left for India without seeking treatment. The hand began bothering him and he underwent minor nerve surgery when he got home.

□

Hugh Hefner, the founder of Playboy, has given $500,000 to the university's Department of Journalism at the University of Illinois, his alma mater. The gift will establish the Hugh M. Hefner First Amendment Scholar fellowships for graduate students in journalism. "For me, journalism isn't just one more profession," Hefner said. "Of all the creative arts, it is the one that goes to the heart of democracy." Hefner graduated in 1949 with a degree in psychology from the university, where he edited the campus humor magazine, Shaft.

□

The last person **Anita Hill** expected to see at the Oklahoma City airport was Senator **Arlen Specter**, Republican of Pennsylvania. It was their first encounter since his blistering assertion in 1991 that Hill committed "flat-out perjury" in her Senate Judiciary Committee testimony when she alleged she had been sexually harassed by **Clarence Thomas** during the battle for his nomination to the Supreme Court. Specter "spoke to me as if the bad thing that happened at his hand didn't really happen," Hill said. "It was sort of chitchat. It was bizarre."

Paul Vicente/Agence France-Presse

LITERARY BASH — John Galliano, the British fashion designer, posing with Dior models Teresa Lourenco, left, and Suzanne Alchinger at a party at Harrods in London for the launch of the book "Galliano" by Colin McDowell.

Of Cahors Wines and Violins

New York Times Service

NEW YORK — Appreciation of the Cahors wines of southwestern France is said to go back about 2,000 years, and the line was continued when some aficionados of the country red wine were formally recognized in New York. The Confrerie du Vin de Cahors convened this week for the first time in the United States to induct into its ranks 35 new chevaliers or knights, including the violinist Isaac Stern, the TV personality Charlie Rose, the designer Bill Blass, the novelist Jay McInerney and the chef Daniel Boulud.

Alain-Dominique Perrin, the chairman of Cartier International and grand master of the Cahors brotherhood, presided, distributing ribbons, medals, kisses on cheeks and taps on the shoulder with pieces of vine, to the sound of trumpets. Isaac Stern was given a special gift: a bottle of Cahors wine from Russia, vintage 1933.

"No one else is getting this," Perrin said, explaining that Peter the Great, who loved the wine, had brought French vintners to Azerbaijan to plant vines. "Where I come from, you can't drink and play at the same time," the violinist said as he took a sip of wine.

"Tonight, you drink," Perrin said.

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